

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

104



FROM: Executive Office

SUBMITTAL DATE:
August 29, 2013

SUBJECT: FY 2013-14 Teeter Series D and Taxable Series E Notes

RECOMMENDED MOTION: That the Board of Supervisors approves Resolution 2013-222 supplementing its Master Teeter Resolution and providing for the terms and conditions of Series D and Taxable Series E Teeter Plan obligations and all other necessary documents to consummate the issuance of the notes.

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.

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Lisette Rose 8/30/13
Lisette Rose

Continued on page 2

Samuel Wong
Samuel Wong, MBA
Senior Management Analyst

| | | | | |
|-----------------------|-------------------------------|-----------|-------------------------|-------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$240,000 | 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: | 13-14 |

| | | |
|---|----------------------------------|--------------------------|
| SOURCE OF FUNDS: Teeter Notes Proceeds | Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| | Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION:

APPROVE
BY: Ivan M. Chand 9/3/2013
Ivan M. Chand

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER DATE: 8/29/13
Departmental Concurrence

Consent
 Policy

Consent
 Policy

Dept't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.5 on 9/11/12 | District: All | Agenda Number:

3-9

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Participation in the Teeter Plan is voluntary, except for school districts. In addition to the County General Fund, approximately 350 entities participate in the Plan. Participating entities receive an advance of the uncollected taxes in exchange for transferring the collection risk to the County. The County receives the right to retain penalty and interest payments on the delinquent amounts.

The FY 2013-14 Teeter Series D and Taxable Series E Notes are part of an ongoing program that has been in place since 1993. The Teeter financing program is open-ended and continuously rolls over any unpaid amounts, since it takes several years to collect on delinquent accounts. The annual amount is based upon the following: (1) taxes collected in the prior year pay down the maturing notes, (2) the remaining notes roll into the next year's financing, and (3) the amount needed to fund the current advance of unpaid taxes is added to the financing.

Approval of Resolution 2013-222 provides for the issuance of the FY 2013-14 Teeter Obligation Notes in the amount of \$120.5 million. This amount includes funding to advance \$44.3 million of FY 12-13 delinquencies and refunding of \$75.2 million of prior years' property taxes that remain delinquent. The notes will be issued in fixed rate form, under the 1997 Master Resolution. The size of the program expands and contracts as tax delinquencies go up and down. The amount of notes outstanding is actually exceeded by the principal amount of taxes owed to the County. Given the County's lien position and the relationship between the taxes and property values, the County collects over 99% of the taxes owed, plus penalties and interest.

Due to the addition of the cities of Riverside and Eastvale to the Teeter program approved by the Board on June 18, 2013, a taxable portion will be issued as Series E in the amount of approximately \$1.6 million. That portion represents the outstanding delinquencies of those two cities and does not qualify for tax-exemption. Starting next fiscal year, this portion will no longer be taxable.

The program generates revenue for the General Fund by capturing the penalties and interest on the unpaid taxes upon collection. Those are paid at an effective rate in excess of 20% per annum; the County's cost to finance the program is currently below 1%. After replenishing the statutorily required balance in the Tax Losses Reserve Fund and paying the interest cost for the year, the net amount is transferred in as unrestricted revenue. For FY 2012-13, that amount was \$32 million.

County Counsel approves the attached documents as to form.

RESOLUTION NO. 2013-222
OF
THE COUNTY OF RIVERSIDE

SUPPLEMENTING ITS
MASTER TEETER RESOLUTION, AND
PROVIDING FOR THE TERMS AND CONDITIONS OF
2013 SERIES D TEETER PLAN OBLIGATION NOTES (TAX-EXEMPT)
and
2013 SERIES E TEETER PLAN OBLIGATION NOTES (TAXABLE)

ADOPTED ON SEPTEMBER 10, 2013

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RESOLUTION NO. 2013-222

**RESOLUTION OF THE COUNTY OF RIVERSIDE
SUPPLEMENTING ITS MASTER TEETER RESOLUTION,
AND PROVIDING FOR THE TERMS AND CONDITIONS OF
2013 SERIES D TEETER PLAN OBLIGATION NOTES (TAX-EXEMPT)
AND 2013 SERIES E TEETER PLAN OBLIGATION NOTES (TAXABLE)**

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: Alex A. Gardner 8/29/13
DALE A. GARDNER 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, pursuant to Resolution No. 2010-281, adopted September 14, 2010, the Board authorized Series B Obligations and Series C Obligations to refund a Demand Obligation relating to the fiscal year ending June 30, 2010 and to refund Outstanding Series B Notes and Series C Notes; and

WHEREAS, pursuant to Resolution No. 2011-252, adopted September 27, 2011, the Board authorized Series B Obligations and Series C Obligations to refund a Demand Obligation relating to the fiscal year ending June 30, 2010 and to refund Outstanding Series B Notes and Series C Notes; and

WHEREAS, pursuant to Resolution No. 2012-195, adopted September 11, 2012, the Board authorized Series D Obligations to refund a Demand Obligation relating to the fiscal year ending June 30, 2011 and to refund Outstanding Series B 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, 2013; and

WHEREAS, the County wishes to issue a Demand Obligation or Demand Obligations relating to delinquencies in property taxes and assessments attributable to the fiscal year ending June 30, 2013 and to issue 2013 Series D Notes (Tax-Exempt) (the "2013 Series D Notes"), the proceeds of which are to be used to refund all or a portion of a Demand Obligation, to refund Outstanding Series D Notes and to pay costs of issuance; and

WHEREAS, the County wishes to issue 2013 Series E Notes (Taxable) (the "2013 Series E Notes" and, collectively with the 2013 Series D Notes, the "2013 Notes"), the proceeds of which are to be used to refund all or a portion of a Demand Obligation and to pay costs of issuance; and

WHEREAS, the County wishes to confirm that the security interest and pledge granted pursuant to Section 302 of the Master Teeter Resolution extends to such Series B Taxes and also secures the 2013 Notes.

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:

"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, 2010, 2011, 2012 and 2013 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.

“**2013 Notes**” means the 2013 Series D Notes (Tax-Exempt) and the 2013 Series E Notes (Taxable).

ARTICLE II

AUTHORIZATION OF DEMAND OBLIGATIONS

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, 2013, through the issuance of a Demand Obligation or Demand Obligations in the principal amounts of such distributions.

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(2) of the Master Teeter Resolution, the security interest and pledge created pursuant to said Section 302(2) 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 Obligations referred to in Section 2.01 hereof and issued hereunder and (b) the 2013 Series D Notes and 2013 Series E Notes authorized and issued hereunder. The lien on Series B Taxes shall continue so long as any 2013 Notes remain Outstanding, and shall secure on a parity lien, the 2013 Series D Notes and the 2013 Series E Notes.

ARTICLE IV

AUTHORIZATION AND ISSUANCE OF 2013 NOTES

4.01 Authorization of 2013 Notes. The Board hereby determines that the County shall issue (i) as 2013 Series D Obligations, the “Teeter Plan Obligation Notes, 2013 Series D (Tax-Exempt)” (the “2013 Series D Notes”), and the proceeds shall be applied to the refunding, in whole or in part, of a Demand Obligation, Outstanding Series D Notes, and to pay

costs of issuance, and (ii) as 2013 Series E Obligations, the “Teeter Plan Obligation Notes, 2013 Series E (Taxable)” (the “2013 Series E Notes”), and the proceeds shall be applied to the refunding, in whole or in part, of a Demand Obligation and to pay costs of issuance. The aggregate principal amount of 2013 Notes issued hereunder shall not exceed \$120,500,000. The 2013 Series D Notes shall be Tax-Exempt Notes (and the tax covenants contained in Section 815 of the Resolution shall apply to the 2013 Series D Notes) and the 2013 Series E Notes shall be Taxable Notes. Any different or additional terms and provisions of the 2013 Notes shall be set forth in a written certificate of the Treasurer or County Executive Officer delivered prior to the issuance of the 2013 Notes.

4.02 Denominations, Medium, Method and Place of Payment and Dating of 2013 Notes. (a) The 2013 Notes shall be initially issued and registered as provided in Section 4.07 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 December 31, 2014, and shall bear interest, payable at maturity and computed on the basis of a 360-day year composed of twelve 30-day months for the 2013 Series D Notes and actual days/360-day year for the 2013 Series E Notes, at the rates per annum determined in accordance with this Supplemental Resolution.

(b) Both the principal of the 2013 Notes and interest due on the 2013 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 2013 Note for any period after maturity during which the registered owner thereof fails to properly present such 2013 Note for payment.

4.03 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 2013 Series D Notes and the 2013 Series E Notes (not to exceed the amount authorized under Section 4.01 hereof), the term of the 2013 Series D Notes and the 2013 Series E Notes (not to exceed the maturity date set forth in Section 4.02(a) hereof), the interest rate on the 2013 Series D Notes and the 2013 Series E Notes and the purchase price of the 2013 Notes, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the true interest cost of the 2013 Notes shall not exceed 0.75% per annum, and that the underwriters’ discount (exclusive of original issue discount) on the 2013 Notes shall not exceed 0.05% of the principal amount of the 2013 Notes.

4.04 Payment of 2013 Notes. There is hereby established with the Fiscal Agent, as agent and pledge holder for the Holders of the 2013 Notes, the “2013 Payment Fund.” On or before the maturity date of the 2013 Notes, the County shall transfer to the Fiscal Agent from the General Fund, including the Series B Taxes, an amount sufficient to pay the principal of and interest on the 2013 Notes when due.

4.05 Forms of 2013 Notes. The 2013 Notes and the assignment to appear thereon each shall be in substantially the form set forth in Exhibits A and B attached hereto and

incorporated herein, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

4.06 Execution and Authentication of Notes. The County Executive Officer is hereby authorized to sign the 2013 Notes by use of his manual or facsimile signature, and the Clerk of the Board of Supervisors is hereby authorized to countersign the 2013 Notes by use of his/her manual signature and to affix the seal of the Board of Supervisors thereto by facsimile 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 2013 Notes to the Underwriters in accordance with the terms and provisions of the Purchase Contract. In the case of 2013 Notes executed by facsimile signature of both the County Executive Officer and the Clerk of the Board of Supervisors, the 2013 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 2013 Notes shall cease to be such officer before the delivery of the 2013 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.

4.07 Registration, Exchange and Transfer. (a) The Depository Trust Company, New York, New York, is hereby appointed depository for the 2013 Notes. The 2013 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 2013 Series D Note and a single 2013 Series E Note. Registered ownership of each 2013 Note, or any portion thereof, may not thereafter be transferred except as set forth in Section 4.07(b).

(b) The 2013 Notes shall be initially issued and registered as provided in Section 4.07(a) hereof. Registered ownership of the 2013 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, upon receipt of all outstanding 2013 Notes by the Fiscal Agent (together, in the case of a successor fiscal agent appointed by the County, with a written request of the County Executive Officer to such successor fiscal agent designating the Substitute Depository), a single new 2013 Series D Note and 2013 Series E 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. In the case of any transfer pursuant to clause (iii) of subsection (b) of this Section upon receipt of all outstanding 2013 Notes by the Fiscal Agent (together, in the case of a successor fiscal agent appointed by the County, with a written request of the County Executive Officer to such successor fiscal agent), new 2013 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, subject to the limitations of this Section, provided that the Fiscal Agent shall deliver such new 2013 Notes as soon as practicable.

(d) The County and the Fiscal Agent shall be entitled to treat the person in whose name any 2013 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 2013 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 2013 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 2013 Notes, and the Fiscal Agent may rely conclusively on its records as to the identity of the owners of the 2013 Notes.

(e) Notwithstanding any other provision of this Resolution and so long as all outstanding 2013 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 2013 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, any 2013 Note may, in accordance with its terms, be transferred or exchanged for a 2013 Note of like aggregate principal amount 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 2013 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 2013 Note shall be surrendered for transfer or exchange, the County shall execute and the Fiscal Agent shall authenticate, if required, and deliver a new 2013 Note 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 2013 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, 2013 Notes as hereinbefore provided.

(h) If any 2013 Note shall become mutilated, the County, at the expense of the owner of such 2013 Note, shall execute, and the Fiscal Agent shall thereupon authenticate, if required, and deliver a new 2013 Note of like tenor and number in exchange and substitution for the 2013 Note so mutilated, but only upon surrender to the Fiscal Agent of the 2013 Note so mutilated. Every mutilated 2013 Note so surrendered to the Fiscal Agent shall be cancelled by it and delivered to, or upon the order of, the County. If any 2013 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 2013 Note of like tenor and number in lieu of and in substitution for the 2013 Note so lost, destroyed or stolen (or if any such 2013 Note shall have matured or shall be about to mature, instead of issuing a substitute 2013 Note, the Fiscal Agent may pay the same without surrender thereof). The Fiscal Agent may require payment by the registered owner of a 2013 Note of a sum not exceeding the actual cost of preparing each new 2013 Note issued pursuant to this paragraph and of the expenses which may be incurred by the County and the Fiscal Agent. Any 2013 Note issued under these provisions in lieu of any 2013 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 2013 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 2013 Notes issued under this Supplemental Resolution.

All 2013 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 2013 Notes previously authenticated and delivered hereunder which the County may have acquired in any manner whatsoever, and all 2013 Notes so delivered shall promptly be cancelled by the Fiscal Agent. No 2013 Note shall be authenticated in lieu of or in exchange for any 2013 Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled 2013 Notes held by the Fiscal Agent shall be disposed of as directed by the County.

4.08 Defeasance of 2013 Notes. (a) If the County shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Outstanding 2013 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 2013 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 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 2013 Notes on the maturity date thereof. Neither the securities nor moneys deposited with the Fiscal Agent pursuant to this Section 4.08(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 2013 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 2013 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 2013 Notes. Owners of 2013 Notes shall thereafter be entitled to payments due under the 2013 Notes only from amounts deposited pursuant to this Section and from no other source.

4.09 Fiscal Agent. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Fiscal Agent for the 2013 Notes. The County hereby directs and authorizes the payment by the Fiscal Agent of the interest on and principal of the 2013 Notes when such become due and payable.

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 2013 Notes or the 2013 Series E Notes in accordance with the provisions hereof.

4.10 Official Statement for 2013 Notes. The proposed form of official statement relating to the 2013 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 2013 Notes and are hereby authorized and directed to deliver such official statement in final form to all purchasers of the 2013 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.

4.11 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 2013 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 2013 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 V

MISCELLANEOUS

5.01 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.

5.02 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 2013 Series D Notes and the 2013 Series E 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 2013 Series D Notes and 2013 Series E Notes in accordance with the Master Teeter Resolution and this Supplemental Resolution, including, but not limited to, entering into amendments, if any, to the Fiscal Agent Agreement (including provisions relating to a costs of issuance fund) and DTC Representation Letter.

5.03 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 Obligations and 2013 Series D Notes and 2013 Series E 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.

5.04 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 2013 Series D Notes or 2013 Series E Notes authorized hereby, and the Holders shall retain all the benefit, protection and security afforded to them hereunder or any applicable provisions of law.

5.05 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 10, 2013.

By: _____
Chairman of the Board of Supervisors

ATTEST:
Clerk of the Board

By: _____
Deputy Clerk

EXHIBIT A

FORM OF 2013 SERIES D NOTE

No. _____

\$ _____

**COUNTY OF RIVERSIDE TEETER PLAN OBLIGATION NOTE, 2013 SERIES D
(TAX-EXEMPT)**

| 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, 2013 Series D (Tax-Exempt) of the County issued under and pursuant to the Resolution. The 2013 Series D Notes are payable from General Fund and are secured by Series B 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 _____
County Executive Officer

(SEAL)

COUNTERSIGNED:

Clerk of the Board of Supervisors

EXHIBIT B

FORM OF 2013 SERIES E NOTE

No. _____

\$ _____

**COUNTY OF RIVERSIDE TEETER PLAN OBLIGATION NOTE,
2013 SERIES E (TAXABLE)**

**DATE OF
ORIGINAL ISSUE**

**MATURITY
DATE**

**INTEREST
RATE**

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, N.A., 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 actual days/360-day year) 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, 2013 Series E (Taxable) of the County issued under and pursuant to the Resolution. The 2013 Series E Notes are payable from General Fund and are secured by Series B 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 _____
County Executive Officer

(SEAL)

COUNTERSIGNED:

Clerk of the Board of Supervisors

**AGREEMENT FOR PROFESSIONAL SERVICES
(C.M. DE CRINIS & CO., INC - Financial Advisor)**

THIS AGREEMENT (the "Agreement") is entered into this 3rd day of September 2013, by and between the County of Riverside, a political subdivision of the State of California (the "County"), and C.M. de Crinis & Co., Inc., a California corporation (the "Consultant").

WHEREAS, Government Code Section 31000 authorizes the County to contract for special services with a person who is specially trained and experienced, and who is competent to perform the special services required; and

WHEREAS, the County desires to retain a financial advisor to assist in the planning, structuring and financing of the Teeter program; and

WHEREAS, the Consultant has the expertise, special skills, knowledge and experience to perform the duties set out herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereto agree as follows:

1. **Scope of Services:** In consideration of the compensation hereinafter set forth in Paragraph 3 below, the Consultant shall provide services as described in Exhibit A, consisting of five (5) pages and attached hereto. The Consultant covenants that the principals who will be providing the special services are persons specially trained, experienced, expert and competent to provide the services as described in Exhibit A.

1.1 Services performed for the County by the Consultant that are not otherwise specifically identified in Exhibit A to this Agreement, shall be additional services. Additional services include, but are limited to the following:

A. Assisting the County in obtaining enabling legislation or conducting referendum elections.

B. Extraordinary services and extensive computer analysis in the structuring or planning of any debt issue or financing program.

C. The repeat of any element of a service described in Exhibit A to this Agreement that is made necessary through no fault of the Consultant.

D. Financial management services, including development of financial policies, capital improvement plans, economic development planning, credit analysis or review and such other services that are not ordinarily considered within the scope of services described in Exhibit A.

E. Services rendered in connection with any undertaking of the County relating to a continuing disclosure agreement entered into in order to comply with Securities and Exchange Commission Rule 15c2-12 or other similar rules.

F. Services rendered to the County in connection with calculation or determination of any arbitrage rebate liability arising from investment activities associated with debt issued to fund the Project.

2. **Term of Agreement:** This Agreement shall be effective on the day and year first written above, and be in effect for one (1) year.

3. **Compensation:** As compensation for services to be rendered hereunder in accordance with Exhibit A, the County shall pay the Consultant as follows:

A. For the Consultant's performance of services as described in Paragraph 1 above, the Consultant's compensation will be as provided in Parts 1 and 2 of Exhibit B, consisting of two (2) pages, attached to this Agreement. Fees for hourly services described in Part 2 shall not exceed one hundred thousand dollars (\$100,000), plus the Consultant's expenses incurred in rendering such services. The Consultant's expenses may include, but are not limited to travel, telephone/conference calls, postage, courier, database access services, and printing.

B. For the Consultant's performance of additional services as described in Paragraph 1.1 above, the Consultant's compensation will be as provided in Part 2 of Exhibit B, plus the Consultant's expenses incurred in rendering such services. The Consultant's expenses may include, but are not limited to travel, telephone/conference calls, postage, courier, database access services and printing.

C. Payment for the Consultant's services rendered pursuant to Paragraph 1 of this Agreement shall be as provided for in Exhibit B to this Agreement, unless specified to the contrary elsewhere in this Agreement. When approved, the Consultant may submit monthly invoices for payment for services provided pursuant to Paragraphs 1 and 1.1 above, unless an alternate date or dates have been specifically agreed to in writing. Payment of the Consultant's compensation and expenses is due thirty (30) days after submission of the Consultant's invoice for services.

D. In the event the services of the Consultant are abandoned prior to completion of the Consultant's work, the Consultant shall be compensated for services performed to the point of abandonment as if such services were an additional service pursuant to Paragraph 1.1 above. An act of abandonment shall

be deemed to have occurred when there has been a written notification to the Consultant of an abandonment of the Project by the County.

E. The Consultant fees set forth in this Agreement and the Exhibits are guaranteed by the Consultant for a period of twelve (12) months. Any request to increase fees, must be submitted in writing, and approved by the County Executive Officer or his designee.

4. **Independent Contractor:** The parties intend that in performing services herein specified the Consultant shall act as an independent contractor, having control of the work and the manner in which it is performed. The Consultant is not to be considered an agent or employee of the County and is not entitled to participate in any medical insurance, retirement funds or similar employee benefits that the County provides for its employees. The Consultant is responsible for the compliance with the payment of employer-related taxes, business licenses, and insurance on the Consultant's own behalf and for the Consultant's employees, if any, including, but not limited to, federal and state income taxes, federal and state unemployment insurance, workers compensation insurance, adequate property damage and personal liability insurance, and Social Security (FICA) taxes, the cost of which is not reimbursable under this Agreement.

4.1 The sole interest and responsibility of the County is to assure that the services covered by this Agreement shall be performed and rendered in a competent, professional and satisfactory manner. The Consultant shall perform all of its obligations hereunder in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken.

5. **Hold Harmless - Indemnification:** Consultant shall indemnify and hold County of Riverside, and its special districts, respective directors, officers, Board of Supervisors, Board of Directors, Legislative Body, elected or appointed officials, employees, agents or representatives, collectively the "Indemnified Parties", harmless from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorney's fees, and all court costs which the Indemnified Parties, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the Indemnified Parties, or any combination thereof, as a result of or by reason of or arising out of or in consequence of (a) the use of the Consultant's work product required by this Agreement, (b) the untruth or inaccuracy of any representation or warranty made by the Consultant, or in any certifications delivered or required to be delivered by the Consultant hereunder, or their respective officers, employees or agents, in connection with the work produce required by this Agreement, save and except claims and litigation arising from the negligence or willful misconduct of the County. If the Consultant fails to do so, the County shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including any attorney fees or court costs, to and recover the same from the Consultant

6. **Insurance:** Without limiting or diminishing the Consultant's obligation to indemnify or hold the County harmless, Consultant shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Agreement. The following insurance requirements may be met with a program of self-insurance.

A. **Workers' Compensation:**

Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

B. **Commercial General Liability:**

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, completed operations covering claims which may arise from or out of Consultant's performance of its obligations hereunder. Policy shall name the County of Riverside, special districts, their respective directors, officers, Board of Supervisors, Board of Directors, Legislative Body, elected or appointed officials, employees, agents or representatives as "additional insureds". Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

C. **Vehicle Liability:**

If Consultant's vehicles are used in the performance of the obligations under this Agreement, then Consultant shall maintain liability insurance for all non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, special districts, their respective directors, officers, Board of Supervisors, Board of Directors, Legislative Body, elected or appointed officials, employees, agents, or representatives as "additional insured".

D. **Professional Liability Insurance:**

Consultant shall maintain Professional Liability Insurance providing coverage for the Consultant's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$1,000,000 annual aggregate. If Consultant's Professional Liability Insurance is

written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and Consultant shall purchase at its sole expense either (i) an Extended Reporting Endorsement (also known as Tail Coverage); (ii) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or (iii) demonstrate through certificates of insurance that Consultant has maintained continuous coverage with the same or original insurer. Coverage provided under items (i), (ii) or (iii) will continue for a period of one (1) year beyond the termination of this Agreement.

E. General Insurance Provisions - All lines:

1.) Any insurance carrier providing insurance coverage hereunder shall be approved to provide insurance coverage in the State of California or shall be admitted to the State of California unless waived, in writing by the County's Risk Manager. Carrier(s) shall have an A.M. BEST rating of not less than an A: VIII (A: 8).

2.) The Consultant's insurance carrier(s) must declare insurance deductibles or self-insured retentions and such deductibles and retentions shall have the prior written consent from the County's Risk Manager. Failure of the Consultant's carriers to declare deductibles of self insured retentions to the County shall waive any obligation of the County, as "additional insured," to honor said deductibles or self insured retentions in the event of Consultant's insolvency. Upon notification of deductibles or self insured retentions unacceptable to the County, at the election of the County's Risk Manager, Consultant's carriers shall either; (i) reduce or eliminate such deductibles or self-insured retention's as respects this Agreement with the County, or (ii) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.

3.) Cause Consultant's insurance carrier(s) to furnish the County of Riverside with either (i) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein, or (ii) if requested to do so in writing by the County's Risk Manager, provide original certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days' written notice shall be given to the County prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County receives, prior to such effective date, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing

coverages set forth herein and the insurance required herein is in full force and effect.

4.) *Consultant shall not commence operations until the County has been furnished original certificate (s) of insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this Paragraph 6. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.*

5.) It is understood and agreed to by the parties hereto and the insurance company(s), that the certificate(s) of insurance and policies shall so covenant and shall be construed as primary insurance, and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

6.) If, during the term of this Agreement or any extension thereof, there is a change in the scope of services or performance of work; or, there is a material change in the equipment to be used in the performance of the scope of work (such as the use of aircraft or watercraft) the County of Riverside reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County's Risk Manager's reasonable judgment, the amount or type of insurance carried by the Consultant has become inadequate.

7. **License and Certification:** The Consultant verifies upon execution of this Agreement possession of a current and valid license in compliance with any local, State, and Federal laws and regulations relative to the scope of services to be performed under Exhibit A, and that service(s) will be performed by properly trained and licensed staff.

8. **Conflict of Interest:** In the event County staff, on behalf of the County or its officials, request specific services to be provided by the Consultant and a potential conflict of interest arises, the Consultant shall notify the County of the potential conflict. The Consultant shall give priority to the County and shall cease the services or actions that would conflict with the Consultant's obligations under this Agreement unless and until the issue is determined not to result in a conflict with the County.

9. **Termination:**

A. Either Party may terminate this Agreement without cause upon thirty (30) days' written notice stating the extent and effective date of termination.

B. County may terminate this Agreement without cause upon thirty (30) days' written notice served upon the Consultant stating the extent and effective date of termination.

C. County may, upon five (5) days' written notice, terminate this Agreement for Contractor's default, if Contractor refuses or fails to comply with the provisions of this Agreement or fails to make progress so as to endanger performance and does not cure such failure within a reasonable period of time. In the event of such termination, the County may proceed with the work in any manner deemed proper to County.

D. After receipt of the Notice of Termination pursuant to paragraphs B or C, above, Contractor shall:

1.) Stop all work under this Agreement on the date specified in the Notice of Termination.

2.) Transfer to County and deliver in the manner, and to the extent, if any, as directed by County, any equipment, data or reports which, if the Agreement had been completed, would have been required to be furnished to County.

E. After termination pursuant to paragraph A or B above, County shall make payment for all services performed in accordance with this Agreement to the date of termination, a total amount which bears the same ratio to the total maximum fee otherwise payable under this Agreement as the services performed actually bears to the total services necessary for performance of this Agreement.

F. The rights and remedies of County provided in this Paragraph 9 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

10. **Assignment:** This Agreement may not and shall not be assigned by the Consultant without prior written consent of the County. This includes the ability to subcontract all or a portion of its rights, duties and obligations hereunder.

11. **Nondiscrimination:** The Consultant shall not discriminate in its recruiting, hiring, promotion, demotion or termination practices on the basis of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this contract, and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment Practices Act (commencing with Section 1410 of the Labor Code), and the Federal Civil Rights Act of 1964 (P.L. 88-352).

12. **Administration:** The County Executive Officer, or his designee, shall administer this Agreement on behalf of the County.

13. **Alteration:** No alteration or variation in the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

14. **Waiver:** Any waiver by the County of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent breach of the same or of any other term hereof. Failure on the part of the County to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms hereof, or stopping the County from enforcement hereof.

15. **Work Product:** All reports, preliminary findings, or data assembled or compiled by the Consultant under this Agreement become the property of the County. The County reserves the right to authorize others to use or reproduce such materials. Therefore, such materials may not be circulated in whole or in part, nor released to the public, without the direct authorization of the Chief Executive Officer or an authorized designee.

16. **Confidentiality:** The Consultant shall comply with applicable laws and regulations regarding the confidentiality of the County's records.

17. **Jurisdiction, Venue, Attorney's Fees:** This Agreement is to be construed under the laws of the State of California. The parties agree to the jurisdiction and venue of the appropriate courts in the County of Riverside, State of California. Should action be brought to enforce or interpret the provisions of the Agreement, the prevailing party shall be entitled to the Attorney's fees in addition to whatever other relief is granted.

18. **Severability:** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

19. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements of any kind or nature relating to the same shall be deemed to be superceded hereby. Any modifications to the terms of this Agreement must be in writing and signed by the parties herein.

20. **Approval:** The Consultant warrants and represents that the execution and delivery of this Agreement and the performance of its covenants and obligations have been duly authorized by all necessary partnership and/or corporate action and formalities. The Consultant further warrants and represents that neither the execution nor the delivery of this Agreement nor the consummation of its terms will constitute default, violation or breach of an agreement to which the Consultant or its partners may be bound. The Consultant further warrants and represents that the individual executing this Agreement on behalf of the Consultant is duly authorized to do so.

21. **Notices:** All written notices, statements, demand, consents, approvals, or other communications required or contemplated by this Agreement shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

County: County Executive Office
Ivan Chand, Deputy County Executive Officer
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Telephone: (951) 955-1110
Fax: (909) 955-1034

Consultant: C.M. de Crinis & Co., Inc.
100 No. Brand Ste. 605
Glendale, CA 91203
Tel: 818-385-4900
Cell: 909-496-9022
www.cmdecrinis.com

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

IN WITNESS WHEREOF, the parties herein have executed this Agreement on the day and year first above written.

COUNTY OF RIVERSIDE

By: _____
John J. Benoit, Chairman
Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board of Supervisors

By: _____
Deputy

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner* *9/3/13*
DALE A. GARDNER DATE

C.M. DE CRINIS & CO., INC., a California corporation

By: *Michael J Williams*
Michael J Williams
Chief Financial Officer

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT FOR FINANCIAL ADVISOR
BY AND BETWEEN
COUNTY OF RIVERSIDE AND
C.M. DE CRINIS & CO., INC.

Scope of Services

A. General Services.

The Consultant shall perform all the duties and services specifically set forth herein and shall provide such other services as it deems necessary or advisable, or are reasonable and necessary to accomplish the intent of this Agreement in a manner consistent with the standards and practice of professional financial advisors prevailing at the time such services are rendered to the County.

The County may, with the concurrence of Consultant, expand this Agreement to include any additional services not specifically identified within the terms of this Agreement. Any additional services may be described in an addendum to this Exhibit A and are subject to fees described in Exhibit B to this Agreement.

B. County, Financing Services.

At such time as the county requests the assistance of Consultant to participate in initial meetings, conference calls or is requested to provide initial review of any proposed financing or funding project, the Consultant will commence the financial planning activities which may include, but shall not be limited to, the following:

1. Preliminary Survey

- a. Consultant will confer with County staff, County Counsel and others as requested, to define and identify preliminary goals and objectives of all parties.
- b. Consultant will confer with County staff, bond counsel, consultants, and other interested parties to assist in the formulation of a coordinated funding, financing and/or refinancing plan.
- c. Consultant will create a procedural, financing and/or refinancing timetable.
- d. Consultant will work with County staff to determine protocols for engaging other professional services providers, including special tax consultant, assessment engineer, appraiser, market absorption analyst, underwriter, etc.

2. Attendance at Meetings/Work Sessions

- a. Consultant will participate in conference calls and attend meetings to assist the County and proponent to select other professional service providers.
- b. Consultant will attend meetings and work sessions to explain issues related to any procedural process and related topics.

3. Consultation/Advice

Consultant will be available to the County for general consultation and advice.

4. Review and Comment on Documents

Consultant will assist in the development, review, and analysis of various documents. These documents include various legal documents and related policies.

5. Management

Under direction of County staff, the Consultant will act to schedule and coordinate meetings, prepare agendas, arrange for conference calls and other actions to meet the financing needs of the County.

C. Debt Issuance Services.

At such time as the authority to issue indebtedness has been identified or created, the Consultant shall assume primary responsibility for assisting the County in coordinating the planning and execution of each debt issue. Insofar as the Consultant is providing services which are rendered only to the County, public financing district, joint powers authority or other related public agency, the overall coordination of the financing shall be such as to minimize the costs of the transaction coincident with maximizing the County's financing flexibility and capital market access. The Consultant's proposed debt issuance services may include, but shall not be limited to, the following:

- Establishment of the Financing Objectives
- Development of the Financing Timetable
- Monitoring Transaction Process
- Review of Official Statement, both preliminary and final
- Procurement and Coordination of Additional Service Providers
- Financial Advice to the County related to Financing Documents
- Sizing and Structure of the Debt Issue
- Rating Agency Presentation and Investor Briefings
- Credit Enhancement Procurement and Evaluation
- Market Analysis and Timing of Market Entry
- Recommendations for Award of Debt Issuance
- Pre-Closing and Closing Assistance

Specifically, Consultant will:

1. Establish the Financing Objectives.

At the onset of the financing transaction process, the Consultant shall review the County's financing needs and in conjunction with County's staff management, outline the objectives of the financing transaction to be undertaken and its proposed form.

Unless previously determined, Consultant shall recommend the method of sale of debt and outline the steps required to achieve efficient market access.

2. Development of Financing Timetable.

The Consultant shall take the lead role in preparing a schedule and detailed description of the interconnected responsibilities of each team member and update this schedule, with refinements, as necessary, as the work progresses.

3. Monitoring Transaction Process.

The Consultant shall assist in the successful implementation of the financing strategy and timetable that is adopted for each debt issue. The Consultant shall coordinate (and assist, where appropriate) in the preparation of the legal and disclosure documents and shall monitor the progress of all activities leading to the sale of debt. The Consultant shall prepare the timetables and work schedules necessary to achieve this end in a timely, efficient and cost-effective manner and will coordinate and monitor the activities of all parties engaged in the financing transaction.

4. Review of Official Statement.

Generally, SEC, MSRB, and GFOA guidelines encourage full disclosure so that potential investors have sufficient data to analyze each proposed financing. Upon direction of the County, the Consultant shall participate in the review of the official statement for each debt issue.

If a competitive sale and if Consultant is requested to prepare the official statement, Consultant shall perform such services. The Consultant shall maintain and update the official statement on its word processing system until such time as it is near final and suitable for transfer to the financial printer, in order to minimize the costs of revisions made by the printer.

5. Procurement and Coordination of Additional Service Providers.

Should the County desire, the Consultant may act as County's representative in procuring the services of financial printers for the official statement and related documents, and for the printing of any securities. In addition, the Consultant may act as the County's representative in procuring the services of trustees, paying agents, fiscal agents, feasibility consultants, escrow verification agents or other professionals, if the County staff directs.

6. Financial Advice to the County Related to Financing Documents.

If requested, the Consultant shall assist the managing underwriters, bond counsel and/or other legal advisors in the drafting of the respective financing resolutions, notices and other legal documents. In this regard, the Consultant shall monitor document preparation for a consistent and accurate presentation of the recommended business terms and financing structure of each debt issue, it being specifically understood however that the Consultant's services shall in no manner be construed as the Consultant engaging in the practice of law.

7. Sizing and Structure of Debt Issue.

The Consultant shall work with the County's staff to design a financing structure for each debt issue that is consistent with the County's objectives and the proponent needs, that coordinates each transaction with outstanding issues and that reflects current conditions in the capital markets.

8. Rating Agency Presentation and Investor Briefings.

If it is determined that one or more series of securities are ratable, the Consultant shall develop a plan for presenting the financing program to the rating agencies and the investor community. The Consultant shall schedule rating agency visits, if appropriate; to assure the appropriate and most

knowledgeable rating agency personnel are available for the presentation and will develop presentation materials and assist the County officials in preparing for the presentations.

9. Credit Enhancement Procurement and Evaluation.

Upon the County's direction, and if required, the Consultant will initiate discussions with bond insurers, letter of credit providers and vendors of other forms of credit enhancements to determine the availability of and cost benefit of securing financing credit support.

10. Market Analysis and Timing of Market Entry.

The Consultant shall provide regular summaries of current municipal market conditions, trends in the market and how these may favorably or unfavorably affect the County's proposed financing.

a. Competitive Sales.

For all types of competitive sale of debt, the Consultant shall undertake such activities as are generally required for sale of securities by competitive bid including, but not limited to the following:

- Review and comment on terms of Notice of Sale Inviting Bids
- Provide advice on debt sale scheduling
- Provide advice on the use of electronic bidding systems
- Coordinate bid opening with the County officials
- Verify bids received and make recommendations for acceptance
- Provide confirmation of issue sizing, based upon actual bids received, where appropriate
- Coordinate closing arrangements with the successful bidder(s)

b. Negotiated Sales.

In the case of a negotiated sale of debt, the Consultant shall perform a thorough evaluation of market conditions preceding the negotiation of the terms of the sale of debt and will assist the County staff with the negotiation of final issue structure, interest rates, interest cost, reoffering terms and gross underwriting spread and provide a recommendation on acceptance or rejection of the offer to purchase the securities. This assistance and evaluation will focus on the following areas as determinants of interest cost:

- Size of financing
- Sources and uses of funds
- Terms and maturities of the debt issue
- Review of the rating in pricing of the debt issue
- Investment of debt issue proceeds
- Distribution mix among institutional and retail purchasers
- Interest rate, reoffering terms and underwriting discount with comparable issues
- Redemption provisions

11. Recommendations for Award of Debt Issuance.

Based upon activities outlined in Task 10(a) and 10(b) above, the Consultant will recommend accepting or rejecting offers to purchase the debt issue. If the County elects to award the debt issue, the Consultant will instruct all parties and help facilitate the actions required to formally consummate the award.

12. Pre-Closing and Closing Assistance.

The Consultant shall assist in arranging for the closing of each financing. The Consultant shall assist counsel in assuming responsibility for such arrangements as are required, including arranging for or monitoring the progress of bond printing, qualification of issues for book-entry status, signing and final delivery of the securities and settlement of the costs of issuance.

D. Special Financing Services.

The Consultant shall assist the County, as needed and as requested, in identifying and procuring special financial related services that may be needed.

**EXHIBIT B
TO
FINANCIAL ADVISORY SERVICES AGREEMENT
BY AND BETWEEN
THE COUNTY OF RIVERSIDE AND
C.M. DE CRINIS & CO., INC.**

Fees and Expenses

Part 1: Fee for Debt Issuance Services

Financial advisory services performed pursuant to Section 1 of this Agreement for the sale of each series of debt, and as more fully described in Section C of the Scope of Services set forth in Exhibit A, will be billed for at the amounts set forth below:

| <u>Par Value/Each Series of Debt</u> | | | <u>Base Fees</u> |
|--------------------------------------|----|-------------|------------------|
| \$0 | to | \$2,499,999 | \$47,500 |
| 2,500,000 | to | 4,999,999 | 47,500 |
| 5,000,000 | to | 7,499,999 | 47,500 |
| 7,500,000 | to | 9,999,999 | 47,500 |
| 10,000,000 | to | 12,499,999 | 47,500 |
| 12,500,000 | to | 14,999,999 | 47,500 |
| 15,000,000 | to | 17,999,999 | 47,500 |
| 18,000,000 | to | 19,999,999 | 47,500 |
| 20,000,000 | to | 24,999,999 | 47,500 |
| above 25,000,000 | | | 47,500 |

Payment of fees earned by Consultant pursuant to this Part 1, shall be contingent on, and due at the closing of the debt issue(s) undertaken to finance and/or refinance each series of debt and as a contingent flat fee, shall not be subject to the limitation on hourly fees set forth in Section 3.A.

Part 2: General and Other Services

Unless agreed to otherwise, financial advisory services performed pursuant to services outlined in Sections B and D of Exhibit A to this Agreement will be billed at the then current hourly rates. The table below reflects the rates in effect as of the date of execution of this Agreement.

| <u>Personnel</u> | <u>Hourly Rate</u> |
|---|--------------------|
| Managing Directors | \$297.00 |
| Principals/Senior Vice Presidents | \$240.00 |
| Vice Presidents | \$185.00 |
| Assistant Vice Presidents/Senior Associates | \$170.00 |
| Associates of the Firm | \$135.00 |
| Administrative Assistants | \$80.00 |
| Clerical (Other) | \$35.00 |

Expenses

Expenses will not be billed for separately for, among other things, conference calls, travel, lodging, subsistence, overnight courier, computer, and fax transmission charges. A surcharge of 5% of the net fee amount is added to all costs described above and out-of-pocket costs such as telephone, postage, document reproduction and the like.

Limiting Terms and Conditions

The above fees are based on completion of each financing within nine months of the County's authorization to proceed, and assumes that the County will provide all necessary information in a timely manner. Any financial advisory services provided thereafter will be billed at the then current hourly rates but will be paid pursuant to paragraph three of Part 1.