

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

548



FROM: Executive Office

SUBMITTAL DATE:
May 8, 2014

SUBJECT: Fiscal Year 2014-2015 Tax and Revenue Anticipation Notes. [\$512,585 interest]; 100% County General Fund (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution 2014-122 authorizing and approving the borrowing of funds for fiscal year 2014-2015 and the issuance and sale of the Fiscal Year 2014-2015 Tax and Revenue Anticipation Notes.

BACKGROUND:

Summary

The County annually issues Tax and Revenue Anticipation Notes (TRANS) to provide needed cash to cover the projected cash flow deficits of the County General Fund during the fiscal year. The deficit occurs because the timing of tax collections does not match the County's on-going expenditure requirements.

The County staff recommends again issuing the Fiscal Year 2014-2015 TRANS as a standalone issuer without joining the CSAC pool. Also, as a cost saving measure, the County annually evaluates the option of prepaying its pension obligation. Board Policy B-25 (Pension Management Policy) directs the Pension Advisory Review Committee (PARC) to review and make a recommendation regarding the prepayment of the annual CalPERS contribution.

Stephanie Persi
Stephanie Persi
Senior Management Analyst

(Continued)

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* DATE: 5/12/14
DALE A. GARDNER
Departmental Concurrence

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 512,585	\$	\$	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
SOURCE OF FUNDS: 100% General Fund				Budget Adjustment:	No
				For Fiscal Year:	2014-15

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature]*
Ivan M. Chand 5/12/2014

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 5/14/13

District: ALL

Agenda Number: —

3-7

BACKGROUND:

Summary (continued)

PARC recommended the prepayment of the CALPERS contribution for the last 8 years and recommends the prepayment of the FY14-15 payment, approximately \$86 million. The cash flow benefit will continue to be evaluated up to the pricing of the TRANs. If at the time of the pricing, there is insufficient savings, the prepayment will be removed from the TRANs.

The County's issuance cost for the TRANs will not exceed \$1.20/\$1,000 of issuance. It is anticipated that interest rates for the tax-exempt notes will be approximately 0.2% for a 12-month note.

This year's recommendation is to offer a single 12-month note. This will allow for greater investment potential. The need to combine internal borrowing (borrowing from reserves) with external borrowing (TRANs Note) will continue to be evaluated until the day of issuance of the TRANs, and will be dictated by a detailed cost/benefit analysis.

The FY 2014-15 resolution authorizes the issuance of tax and revenue anticipation notes in an amount not-to-exceed \$275,000,000, though the actual amount could be less. The authorization provides the flexibility to issue an additional series of notes in the event the County and State budgets change substantially. The resolution also appoints the law firm of Orrick, Herrington & Sutcliffe as bond counsel to the County.

The Debt Advisory Committee has recommended the FY 2014-15 TRANs for approval.

Impact on Citizens and Businesses

The borrowing will allow the County to run its daily business until tax revenues are received. This allows the County to provide continued services to the citizens and businesses.

COUNTY OF RIVERSIDE

RESOLUTION NO. 2014-122

RESOLUTION AUTHORIZING AND APPROVING THE BORROWING OF FUNDS FOR FISCAL YEAR 2014-2015; THE ISSUANCE AND SALE OF A 2014-2015 TAX AND REVENUE ANTICIPATION NOTE; AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

WHEREAS, the County of Riverside (the "County") is authorized by Section 53850 to 53858, both inclusive, of the Government Code of the State of California (the "Act") (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code) to borrow money by the issuance of temporary notes;

WHEREAS, the Board of Supervisors of the County (the "Board") has determined that a sum (the "Principal Amount") not to exceed a maximum principal amount of \$275,000,000, is needed for the requirements of the County, to satisfy obligations of the County, and that it is necessary that said Principal Amount be borrowed for such purpose at this time by the issuance of a note or notes therefore in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received or accrued by the County for the general fund of the County, and provided for or attributable to its fiscal year ending June 30, 2015 ("Repayment Fiscal Year");

WHEREAS, the County hereby determines to borrow, for the purposes set forth above, the Principal Amount by the issuance of the Note, as hereinafter defined;

WHEREAS, it appears, and this Board hereby finds and determines, that the Principal Amount, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys of the County provided for or attributable to the Repayment Fiscal Year, and available for the payment of the principal of the Note and the interest thereon;

WHEREAS, no money has heretofore been borrowed by or on behalf of the County through the issuance of tax and revenue anticipation notes or temporary notes in anticipation of the receipt of, or payable from or secured by, taxes, income, revenue, cash receipts or other moneys for the Repayment Fiscal Year;

WHEREAS, pursuant to Section 53856 of the Act, certain moneys which will be received or accrued by the County and provided for or attributable to the Repayment Fiscal Year can be pledged for the payment of the principal of the Note and the interest thereon (as hereinafter provided);

WHEREAS, The Bank of New York Mellon Trust Company, N.A. has agreed to act as paying agent (the "Paying Agent") with respect to the Note;

WHEREAS, the Underwriter appointed in Section 21 hereof, intends to submit an offer to purchase the Note and has submitted a form of Note Purchase Agreement (the "Purchase

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner
DATE: 5/12/14

1 Agreement”) to the Board;

2 **WHEREAS**, a form of the Preliminary Official Statement describing the Note will
3 be distributed to potential purchasers of the Note by the Underwriter;

4 **WHEREAS**, this Board has been presented with the form of each document
5 hereinafter referred to relating to the Note, and the Board has examined and approved each
6 document and desires to authorize and direct the execution of such documents and the issuance of
7 the Note;

8 **WHEREAS**, the County has determined that it may be desirable to provide for the
9 issuance of an additional parity note (the “Parity Note”) during the Repayment Fiscal Year, the
10 principal and interest on which are secured by Pledged Revenues, hereinafter defined, on a parity
11 with the Note; and

12 **NOW, THEREFORE**, this Board hereby finds, determines, declares and resolves
13 as follows:

14 **Section 1. Recitals.** All the above recitals are true and correct.

15 **Section 2. Authorization of Issuance.** This Board hereby determines to borrow
16 solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to
17 be received or accrued by the County for the general fund of the County and provided for or
18 attributable to the Repayment Fiscal Year, by the issuance of a note or notes, pursuant to the
19 provisions of the Act, designated the County’s “2014 Tax and Revenue Anticipation Note,” with
20 an appropriate series designation if more than one note is issued (collectively, the “Note”), to be
21 issued in the form of a fully registered note or notes, in denominations of \$5,000 or integral
22 multiples thereof, in a combined amount not to exceed the Principal Amount, to be dated the date
23 of delivery to the initial purchaser thereof, to mature on a date or dates, if more than one note is
24 issued, with or without option of prior redemption at the election of the County, not more than 15
25 months thereafter on a date indicated on the face thereof and determined in the Purchase
26 Agreement (each such date, a “Maturity Date”), and to bear interest, payable on its Maturity Date
27 (and if the Maturity Date is more than 12 months from the date of issuance, payable on the
28 interim interest payment date set forth in the Purchase Agreement) and computed upon the basis
of a 360-day year consisting of twelve 30-day months, or a 365- or 366-day year, as the case may
be, and actual days elapsed, at a rate or rates, if more than one Note is issued, not to exceed 12%
per annum as determined in the Purchase Agreement and indicated on the face of the Note (the
“Note Rate”). If the Note is not fully paid at maturity, the unpaid portion thereof shall be deemed
outstanding and shall continue to bear interest thereafter until paid. In each case set forth in the
preceding two sentences, the obligation of the County with respect to such unpaid Note shall not
be a debt or liability of the County prohibited by Article XVI, Section 18 of the California
Constitution, and the County shall not be liable thereon except to the extent of any available
revenues provided for or attributable to the Repayment Fiscal Year, as provided in Section 7
hereof. Both the principal of and interest on the Note shall be payable in lawful money of the
United States of America.

Section 3. Form of Note. The Note shall be issued in fully registered form
without coupons and shall be substantially in the form and substance set forth in Exhibit A, as

1 attached hereto and by reference incorporated herein, the blanks in said form to be filled in with
2 appropriate words and figures as determined at closing.

3 **Section 4. Sale of Note; Purchase Agreement; Continuing Disclosure.** The
4 form of the Purchase Agreement presented to this meeting is hereby approved. The County
5 Executive Officer, or in the absence of such officer, his or her assistant, the County Treasurer-Tax
6 Collector, or in the absence of such officer, his or her assistant, and the Auditor-Controller, or in
7 the absence of such officer, his or her assistant (each a "County Officer") are each hereby
8 individually authorized and directed to execute and deliver such Purchase Agreement in
9 substantially said form, with such changes thereto as such County Officer shall approve, such
approval to be conclusively evidenced by his or her execution and delivery thereof; *provided,*
however, that the interest rate on the Note shall not exceed 12% per annum, and that the
Underwriter's discount on the Note shall not exceed 0.05% of the Principal Amount actually
issued. Delivery of an executed copy of the Purchase Agreement by fax or telecopy shall be
deemed effective upon execution and delivery for all purposes.

10 The form of instrument, entitled "Continuing Disclosure Certificate," to be dated
11 as of its date of execution, in substantially the form presented to this meeting, is hereby approved.
12 Any County Officer is authorized and directed to execute and deliver on behalf of the County an
13 instrument in substantially said form, with such changes therein as such officer executing such
instrument may require or approve, such approval to be conclusively evidenced by the execution
and delivery thereof.

14 **Section 5. Official Statement.** The proposed form of preliminary official
15 statement (the "Preliminary Official Statement") relating to the Note, in substantially the form
16 presented to this meeting, is hereby approved with such changes, additions, completion and
17 corrections as any County Officer may approve, and the Underwriter is hereby authorized and
18 directed to cause to be distributed to prospective bidders the Preliminary Official Statement in
19 connection with the offering and sale of the Note. Such Preliminary Official Statement, together
20 with any supplements thereto, shall be in form "deemed final" by the County for purposes of Rule
21 15c2-12, promulgated by the Securities and Exchange Commission (the "Rule"), unless otherwise
22 exempt, but is subject to revision, amendment and completion in a final official statement (the
23 "Official Statement"). The Official Statement in substantially said form is hereby authorized and
approved, with such changes therein as any County Officer may approve. The County Officer is
hereby authorized and directed, at or after the time of the sale of the Note, for and in the name
and on behalf of the County, to execute a final Official Statement in substantially the form of the
Preliminary Official Statement presented to this meeting, with such additions thereto or changes
therein as the County Officer may approve, such approval to be conclusively evidenced by the
execution and delivery thereof.

24 Any one of the County Officers is hereby authorized and directed to provide the
25 Financial Advisor or the Underwriter with such information relating to the County as they shall
26 reasonably request for inclusion in the Preliminary Official Statement and Official Statement of
27 the County. Upon inclusion of the information relating to the County therein, the Preliminary
28 Official Statement is, except for certain omissions permitted by the Rule, hereby deemed final
within the meaning of the Rule. If, at any time prior to the end of the underwriting period, as
defined in the Rule, any event occurs as a result of which the information contained in the
Preliminary Official Statement might include an untrue statement of a material fact or omit to

1 state any material fact necessary to make the statements therein, in light of the circumstances
2 under which they were made, not misleading, the County shall promptly notify the Underwriter
and the Financial Advisor.

3 **Section 6. Disposition of Proceeds of Note; Investment.** The moneys received
4 from the sale of the Note shall be deposited in the County's "2014 Note Proceeds Account"
5 (herein called the "Proceeds Account") which Proceeds Account is hereby established and
6 maintained with the County Treasurer-Tax Collector. The moneys received from the sale of the
Note deposited in the County's Proceeds Account may be used and expended by the County for
any purpose for which it is authorized to expend funds.

7 All moneys in the Proceeds Account shall be invested in Permitted Investments (as
8 hereinafter defined), and the proceeds of such investments shall be retained in the Proceeds
Account.

9 "Permitted Investments" means any of the following to the extent then permitted
10 by law:

11 1. (a) Direct obligations (other than an obligation subject to variation in
12 principal repayment) of the United States of America ("United States Treasury
13 Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment
14 of principal and interest by the United States of America, (c) obligations fully and
15 unconditionally guaranteed as to timely payment of principal and interest by any agency
16 or instrumentality of the United States of America when such obligations are backed by
17 the full faith and credit of the United States of America, or (d) evidences of ownership of
18 proportionate interests in future interest and principal payments on obligations described
above held by a bank or trust company as custodian, under which the owner of the
investment is the real party in interest and has the right to proceed directly and
individually against the obligor and the underlying government obligations are not
available to any person claiming through the custodian or to whom the custodian may be
obligated.

19 2. Obligations of instrumentalities or agencies of the United States of
20 America. These are specifically limited to:

- 21 -- Federal Home Loan Mortgage Corporation (FHLMC)
22 Participation certificates (excluded are stripped mortgage securities
23 which are purchased at prices exceeding their principal amounts)
24 Debt Obligations
- 25 -- Federal Home Loan Banks (FHL Banks)
26 Consolidated debt obligation
- 27 -- Federal National Mortgage Association (FNMA)
28 Debt obligations
Mortgage backed securities (Excluded are stripped mortgage
securities-which are purchased at prices exceeding their principal
amounts).

1 Book entry securities listed in 1 and 2 above must be held in a trust account with
2 the Federal Reserve Bank or with a clearing corporation or chain of clearing
corporations which has an account with the Federal Reserve Bank.

3 3. Federal Housing Administration debentures.

4 4. Commercial paper, payable in the United States of America, having
5 original maturities of not more than 92 days and which are rated SP-1 by
S&P and MIG-1 by Moody's.

6 5. Interest bearing demand or time deposits issued by state banks or trust
7 companies, savings and loan associations, federal savings banks or any
8 national banking associations, the deposits of which are insured by the
9 Bank Insurance Fund (BIF) or the Savings Association Insurance Fund of
the Federal Deposit Insurance Corporation (SAIF) or any successors
10 thereto. These deposits: (a) must be continuously and fully insured by BIF
11 or SAIF, or (b) must have maturities of less than 366 days and be deposited
with banks the short term obligations of which are rated SP-1 by S&P and
MIG-1 by Moody's.

12 6. Money market mutual funds or portfolios investing in short-term US
13 Treasury securities rated AAAm or AAAm-G by S&P and Aaa by
Moody's.

14 7. Investment agreements, funding agreements or guaranteed investment
15 contracts approved by the Riverside County Treasurer-Tax Collector with a
16 financial institution rated in one of the two highest rating categories by
17 both Moody's and S&P without regard to plus, minus or numerical
18 notation. Such agreement or contract must contain downgrade covenants
19 providing that in the event of a rating downgrade of the provider below
20 Aa3 by Moodys or AA- by S&P, the agreement or contract shall require
21 the provider to notify the Riverside County Treasurer-Tax Collector in
22 writing of such downgrade within five (5) business days of such
23 downgrade event; thereafter, at the provider's option, the provider shall
24 either (a) assign the agreement or contract and all of its obligations
25 thereunder to a then qualified financial institution acceptable to the
26 Riverside County Treasurer-Tax Collector, or (b) collateralize the
27 agreement or contract with U.S. Treasury or Government Agency securities
28 at 105% of principal and interest, marked-to-market weekly with a three
(3) business day cure period for deficiencies. Such collateral must be held
by an independent third party acting for the benefit of the County of
Riverside and must be free and clear of any liens. A downgrade below A3
by Moodys or A- by S&P of the provider or any substituted provider
pursuant to an assignment, shall allow for the immediate withdrawal of all
monies then invested in the agreement or contract at no premium or penalty
to the County of Riverside.

- 1 8. Repurchase agreements with financial institutions or banks insured by the
2 FDIC or FSLIC, or any broker dealer with "retail customers" which falls
3 under the jurisdiction of the Securities Investors Protection Corporation
4 (SIPC), or any other financial institutions, provided that: (a) the repurchase
5 agreement is over-collateralization at one hundred two percent (102%),
6 computed weekly, consisting of securities as described in clauses (1) and
7 (2) above; (b) a third party custodian, the Trustee or the Federal Reserve
8 Bank shall have possession of such obligations; (c) the Trustee shall have
9 perfected a first priority security interest in such obligations; and (d) failure
10 to maintain the requisite collateral percentage will require the Trustee to
11 liquidate the collateral;
- 12 9. The Local Agency Investment Fund administered by the State of
13 California.
- 14 10. Investment Trust of California, doing business as CalTRUST.
- 15 11. The Pooled Investment Fund maintained by the County Treasurer-Tax
16 Collector.

17 **Section 7. Source of Payment; Parity Note.** The principal amount of the Note,
18 together with the interest thereon, shall be payable from taxes, income, revenue (including, but
19 not limited to, revenue from the state and federal governments), cash receipts and other moneys
20 which are accrued, received or held by the County for the general fund of the County and are
21 provided for or attributable to the Repayment Fiscal Year and which are available for payment of
22 current expenses and other obligations of the County ("Unrestricted Revenues"). As security for
the payment of the principal of and interest on the Note, the County hereby pledges all
Unrestricted Revenues (the "Pledged Revenues"), and the principal of the Note and the interest
thereon shall constitute a first lien and charge thereon and shall be payable from the moneys
received by the County from such Pledged Revenues and, to the extent not so paid, shall be paid
from any other taxes, income, revenue, cash receipts and other moneys of the County lawfully
available therefor (all as provided for in Sections 53856 and 53857 of the Act). Anything herein
to the contrary notwithstanding, Unrestricted Revenues pledged to the payment of the Note as
Pledged Revenues shall not include any amounts heretofore pledged by the County to the
payment of County of Riverside Teeter Plan obligations issued pursuant to Resolution No. 97-
203, as such resolution may be amended and supplemented from time to time. The County may
incur indebtedness secured by a pledge of its Pledged Revenues subordinate to the pledge of
Pledged Revenues hereunder and may issue subordinate tax and revenue anticipation notes.

23 In order to effect the pledge referenced in the preceding paragraph, the County
24 hereby agrees to the establishment and maintenance of a "2014 Note Payment Account" (herein
25 called the "Payment Account") by the Paying Agent as the responsible agent to maintain such an
26 account until the payment of the principal of the Note and the interest thereon, and the County
27 further agrees to cause to be deposited in the Payment Account from amounts received in the
28 months specified in the Purchase Agreement as Repayment Months (each individual month a
"Repayment Month" and collectively "Repayment Months") (and any amounts received
thereafter provided for or attributable to the Repayment Fiscal Year) until the amount on deposit
in the Payment Account, is equal in the respective Repayment Months identified in the Purchase
Agreement to the percentage of the principal and interest due on the Note specified in the

1 Purchase Agreement. Any such deposit may take into consideration anticipated investment
2 earnings on amounts deposited in an Investment Agreement that is a Permitted Investment
through the Maturity Date.

3 Any County Officer is hereby authorized to approve the determination of the
4 Repayment Months and percentages of the principal and interest due on the Note required to be
5 on deposit in the Payment Account in each Repayment Month, all as specified in the Purchase
6 Agreement, by executing and delivering the Purchase Agreement, such execution and delivery to
7 be conclusive evidence of approval by this Board and such County Officer. In the event on the
8 day in each such Repayment Month that a deposit to the Payment Account is required to be made,
9 the County has not received sufficient Unrestricted Revenues to permit the deposit into the
Payment Account of the full amount of Pledged Revenues to be deposited in the Payment
Account from said Unrestricted Revenues in said month, then the amount of any deficiency shall
be satisfied and made up from any other moneys of the County lawfully available for the payment
of the principal of the Note and the interest thereon, as and when such other moneys are received
or are otherwise legally available.

10 Any moneys placed in the Payment Account shall be for the benefit of the holders
11 of the Note. The moneys in the Payment Account shall be applied only for the purposes for
12 which the Payment Account is created until the principal of the Note and all interest thereon are
paid or until provision has been made for such payment.

13 In the event that moneys in the Payment Account are insufficient to pay the
14 principal of and interest on the Note in full when due, such moneys shall be applied in the
15 following priority: first, to pay interest on the Note; and second, to pay principal of the Note.
16 Any moneys remaining in or accruing to the Payment Account after the principal of the Note and
the interest thereon have been paid, or provision for such payment has been made, shall be
transferred to the general fund of the County.

17 Moneys in the Payment Account shall be invested in Permitted Investments and
18 any such investment shall be for the account and risk of the County. The County shall not be
19 deemed to be relieved of any of its obligations with respect to the Note by reason of such
investment of the moneys in its Payment Account.

20 Anything herein to the contrary notwithstanding, the County may at any time
21 during the Repayment Fiscal Year issue a Parity Note secured by a first lien and charge on
22 Pledged Revenues on a parity with the Note; provided that (i) the issuance of any such Parity
23 Note shall not, in and of itself, reduce or impair the rating on the Note, (ii) the maturity date of
24 any such Parity Note shall be later than the outstanding Note and (iii) the Note and Parity Note
25 shall have the same paying agent. In the event that the County issues a Parity Note, the County
shall make appropriate deposits into the Payment Account with respect to such Parity Note, and
in such event, the Payment Account shall also be held for the benefit of the holders of the Parity
Note.

26 **Section 8. Execution of Note.** Any one of the County Officers or any other
27 officer designated by the Board shall be authorized to execute the Note by manual or facsimile
28 signature, and the Clerk of the Board of the County or any duly appointed deputy or assistant
thereto shall be authorized to countersign the Note by manual or facsimile signature. Said

1 officers of the County are hereby authorized to cause the blank spaces of the Note to be filled in
2 as may be appropriate pursuant to the Purchase Agreement. In case any officer whose signature
3 shall appear on any Note shall cease to be such officer before the delivery of such Note, such
4 signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had
5 remained in office until delivery. The Note need not bear the seal of the County, if any.

6 **Section 9. Use of Depository; Registration, Exchange and Transfer.**

7 (A) The Depository Trust Company, New York, New York ("DTC"), is hereby
8 appointed depository for the Note. DTC shall perform such function pursuant to the Blanket
9 Issuer Letter of Representations on file with DTC (the "Letter of Representation"). The Note
10 shall be initially issued and registered in the name of "Cede & Co.," as nominee of DTC and shall
11 be evidenced by a single Note for each series. Registered ownership of each Note, or any portion
12 thereof, may not thereafter be transferred except as set forth in Section 9(B).

13 (B) The Note shall be initially issued and registered as provided in Section 9(A)
14 hereof. Registered ownership of the Note, or any portions thereof, may not thereafter be
15 transferred except:

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

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

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

(C) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection
(B) of this Section 9, upon receipt of the outstanding Note of each series by the Paying Agent
(together with a written request of the County Officer to the Paying Agent designating the
Substitute Depository), a single new Note of each series, which the County shall prepare or cause
to be prepared, shall be executed and delivered, authenticated by the Paying Agent, and 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 in the written request of the County
Officer. In the case of any transfer pursuant to clause (iii) of Subsection (B) of this Section 9
upon receipt of the outstanding Note of a series by the Paying Agent (together with a written
request of the County Officer to such Paying Agent), a new Note, which the County shall prepare
or cause to be prepared, shall be executed by the County and authenticated by the Paying Agent

1 and delivered in such denominations and registered in the names of such persons as specified by
2 the County Officer in such written request, subject to the limitations of this Section 9, provided,
that, the Paying Agent shall deliver such new Note as soon as practicable.

3 (D) The County and the Paying Agent shall be entitled to treat the person in
4 whose name any Note is registered as the owner thereof for all purposes of this Resolution and for
5 purposes of payment of principal of and interest on such Note, notwithstanding any notice to the
6 contrary received by the Paying Agent or the County; and the County and the Paying Agent shall
7 not have responsibility for transmitting payments to, communicating with, notifying, or otherwise
8 dealing with any beneficial owners of the Note while DTC or its successor is the registered
owner. Neither the County nor the Paying Agent shall have any responsibility or obligation, legal
9 or otherwise, to any such beneficial owners or to any other party, including DTC or its successor
(or Substitute Depository or its successor), except to the registered owner of any Note, and the
Paying Agent may rely conclusively on its records as to the identity of the owners of the Note.

10 (E) Notwithstanding any other provision of this Resolution and so long as the
11 outstanding Note is registered in the name of Cede & Co. or its registered assigns, the County and
12 the Paying Agent shall cooperate with Cede & Co. or its registered assigns, as sole registered
13 owner, in effecting payment of the principal of and interest on the Note by arranging for payment
14 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
Paying Agent may rely upon to implement the foregoing procedures notwithstanding any
inconsistent provisions herein.

15 (F) In the case of any transfer pursuant to clause (iii) of subsection (B) of this
16 Section, any Note may, in accordance with its terms, be transferred or exchanged for a like
17 aggregate principal amount in authorized denominations, upon the books required to be kept by
18 the Paying 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 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 Paying Agent.

19 Whenever any Note shall be surrendered for transfer or exchange, the County shall
20 execute and the Paying Agent shall authenticate and deliver a new Note of authorized
21 denominations of the same series, for a like aggregate principal amount of the same interest rate.
The Paying Agent shall require the owner requesting such transfer or exchange to pay any tax or
22 other governmental charge required to be paid with respect to such transfer or exchange.

23 (G) The Paying Agent will keep or cause to be kept sufficient books for the
24 registration and transfer of the Note of each series, which shall at all times be open to inspection
25 by the County. Upon presentation for such purpose, the Paying Agent shall, under such
reasonable regulations as it may prescribe, register or transfer or cause to be registered or
transferred, on such books, the Note as hereinbefore provided.

26 (H) If any Note shall become mutilated, the County, at the expense of the owner
27 of such Note, shall execute, and the Paying Agent shall thereupon authenticate and deliver a new
28 Note of like series, tenor, interest rate and number in exchange and substitution for the Note so
mutilated, but only upon surrender to the Paying Agent of the Note so mutilated. Every mutilated

1 Note so surrendered to the Paying Agent shall be cancelled by it and delivered to, or upon the
2 order of, the County. If any Note shall be lost, destroyed or stolen, evidence of such loss,
3 destruction or theft may be submitted to the County and the Paying Agent and, if such evidence
4 be satisfactory to both and indemnity satisfactory to them shall be given, the County, at the
5 expense of the owner, shall execute, and the Paying Agent shall thereupon authenticate, if
6 required, and deliver a new Note of like series, interest rate, tenor and number in lieu of and in
7 substitution for the Note so lost, destroyed or stolen (or if any such Note shall have matured or
8 shall be about to mature, instead of issuing a substitute Note, the Paying Agent may pay the same
9 without surrender thereof). The Paying Agent may require payment by the registered owner of a
10 Note of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this
11 paragraph and of the expenses which may be incurred by the County and the Paying Agent. Any
12 Note issued under these provisions in lieu of any Note alleged to be lost, destroyed or stolen shall
13 constitute an original additional contractual obligation on the part of the County whether or not
14 the Note so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall
15 be entitled to the benefits of this Resolution with the Note of any other series secured by this.

16 The Note of any series surrendered for payment or registration of transfer, if
17 surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and
18 shall be promptly cancelled by it. The County may at any time deliver to the Paying Agent for
19 cancellation any Note previously authenticated and delivered hereunder which the County may
20 have acquired in any manner whatsoever, and any Note so delivered shall promptly be cancelled
21 by the Paying Agent. No Note shall be authenticated in lieu of or in exchange for any Note
22 cancelled as provided herein, except as expressly permitted hereunder. The cancelled Note of any
23 series held by the Paying Agent shall be disposed of as directed by the County.

24 **Section 10. Representations and Covenants of the County.** The County makes
25 the following representations and covenants for the benefit of the holder of the Note:

26 (A) The County is duly organized and existing under and by virtue of the laws
27 of the State of California and has all necessary power and authority (i) to adopt this Resolution
28 and perform its obligations thereunder, (ii) to enter into and perform its obligations under the
Purchase Agreement, and (iii) to issue the Note and perform its obligations thereunder.

(B) Upon the issuance of the Note, the County shall have taken all action
required to be taken by it to authorize the issuance and delivery of the Note and the performance
of its obligations thereunder, and the County has full legal right, power and authority to issue and
deliver the Note.

(C) The issuance of the Note, the adoption of the Resolution and the execution
and delivery of the Purchase Agreement, and compliance with the provisions hereof and thereof
will not conflict with or violate any law, administrative regulation, court decree, resolution,
charter, by-laws or other agreement to which the County is subject or by which it is bound.

(D) Except as may be required under blue sky or other securities laws of any
state or Section 3(a)(2) of the Securities Act of 1933, there is no consent, approval, authorization
or other order of, or filing with, or certification by, any regulatory authority having jurisdiction
over the County required for the issuance and sale of the Note or the consummation by the

1 County of the other transactions contemplated by this Resolution, except those the County shall
2 obtain or perform prior to or upon the issuance of the Note.

3 (E) Prior to the issuance of the Note, the County has duly, regularly and
4 properly adopted a preliminary budget for the Repayment Fiscal Year setting forth expected
5 revenues and expenditures and has complied with all statutory and regulatory requirements with
6 respect to the adoption of such budget. The County hereby covenants that it shall (i) duly,
7 regularly and properly prepare and adopt its final budget for the Repayment Fiscal Year,
(ii) provide to the Financial Advisor and the Underwriter, promptly upon adoption, copies of such
8 final budget and of any subsequent revisions, modifications or amendments thereto and
9 (iii) comply with all applicable laws pertaining to its budget.

8 (F) The County (i) has not defaulted within the past twenty (20) years, and is
9 not currently in default, on any debt obligation and (ii), to the best knowledge of the County, has
never defaulted on any debt obligation.

10 (G) The County's most recent audited financial statements present fairly the
11 financial condition of the County as of the date thereof and the results of operation for the period
12 covered thereby. Except as has been disclosed to the Financial Advisor and the Underwriter and
13 in the Preliminary Official Statement and to be set forth in the final Official Statement, there has
14 been no change in the financial condition of the County since the date of such audited financial
15 statements that will in the reasonable opinion of the County materially impair its ability to
16 perform its obligations under this Resolution and the Note. The County agrees to furnish to the
17 Financial Advisor and the Underwriter promptly, from time to time, such information regarding
18 the operations, financial condition and property of the County as such party may reasonably
19 request.

16 (H) There is no action, suit, proceeding, inquiry or investigation, at law or in
17 equity, before or by any court, arbitrator, governmental or other board, body or official, pending
18 or, to the best knowledge of the County, threatened against or affecting the County questioning
19 the validity of any proceeding taken or to be taken by the County in connection with the Note, the
20 Purchase Agreement or this Resolution, or seeking to prohibit, restrain or enjoin the execution,
21 delivery or performance by the County of any of the foregoing, or wherein an unfavorable
22 decision, ruling or finding would have a materially adverse effect on the County's financial
condition or results of operations or on the ability of the County to conduct its activities as
presently conducted or as proposed or contemplated to be conducted, or would materially
adversely affect the validity or enforceability of, or the authority or ability of the County to
perform its obligations under, the Note, the Purchase Agreement or this Resolution.

23 (I) Upon issuance of the Note and execution of the Purchase Agreement, this
24 Resolution, the Purchase Agreement and the Note will constitute legal, valid and binding
25 agreements of the County, enforceable in accordance with their respective terms, except as such
26 enforceability may be limited by bankruptcy or other laws affecting creditors' rights generally,
27 the application of equitable principles if equitable remedies are sought, the exercise of judicial
28 discretion in appropriate cases and the limitations on legal remedies against local agencies, as
applicable, in the State of California.

1 (J) The County and its appropriate officials have duly taken, or will take, all
2 proceedings necessary to be taken by them, if any, for the levy, receipt, collection and
3 enforcement of the Pledged Revenues in accordance with law for carrying out the provisions of
4 this Resolution and the Note.

4 (K) Except for Parity Notes, if any, permitted to be executed and delivered
5 pursuant to Section 7 hereof, the County shall not incur any indebtedness secured by a pledge of
6 its Pledged Revenues unless such pledge is subordinate in all respects to the pledge of Pledged
7 Revenues hereunder.

7 (L) The information contained in the Official Statement (excluding the
8 statements and information under the heading "UNDERWRITING" and under "THE NOTES—
9 Book-Entry Only System"), as of the time of delivery thereof to the Underwriter and at all times
10 subsequent thereto up to and including the closing, will be true, complete, correct and final in all
11 material respects and will not contain any untrue statement of a material fact or omit to state a
12 material fact necessary to make the statements therein, in the light of the circumstances under
13 which they were made, not misleading.

11 (M) The County hereby covenants and agrees that it will comply with and carry
12 out all of the provisions of the Continuing Disclosure Certificate consistent with the requirements
13 of the Rule.

13 **Section 11. Tax Covenants.** The County will not take any action or fail to take
14 any action if such action or failure to take such action would adversely affect the exclusion from
15 gross income of the interest payable on the Note under Section 103 of the Internal Revenue Code
16 of 1986, as amended (the "Code"). Without limiting the generality of the foregoing, the County
17 will not make any use of the proceeds of the Note or any other funds of the County which would
18 cause the Note to be an "arbitrage bond" within the meaning of Section 148 of the Code, a
19 "private activity bond" within the meaning of Section 141(a) of the Code, or an obligation the
20 interest on which is subject to federal income taxation because it is "federally guaranteed" as
21 provided in Section 149(b) of the Code. The County, with respect to the proceeds of the Note,
22 will comply with all requirements of such sections of the Code and all regulations of the United
23 States Department of the Treasury issued or applicable thereunder to the extent that such
24 requirements are, at the time, applicable and in effect.

21 The County hereby covenants that the County will take all legally permissible
22 steps necessary to ensure that all of the gross proceeds of the Note will be expended no later than
23 the day that is six months after the date of issuance of the Note so as to satisfy the requirements of
24 Section 148(f)(4)(B) of the Code.

24 Notwithstanding any other provision of this Resolution to the contrary, upon the
25 County's failure to observe, or refusal to comply with, the covenants contained in this Section 11,
26 no one other than the holders or former holders of the Note, and their legal representatives, shall
27 be entitled to exercise any right or remedy under this Resolution on the basis of the County's
28 failure to observe, or refusal to comply with, such covenants.

27 The covenants contained in this Section 11 shall survive the payment of the Note.

28 **Section 12. Events of Default and Remedies.**

1 If any of the following events occur, it is hereby defined as and declared to be and
2 to constitute an "Event of Default":

3 (a) Failure by the County to make or cause to be made the transfers and
4 deposits to the Payment Account, or any other payment required to be paid
5 hereunder, including payment of principal and interest on the Note, on or before
6 the date on which such transfer, deposit or other payment is due and payable;

7 (b) Failure by the County to observe and perform any covenant,
8 condition or agreement (other than failure to make a payment or transfer as
9 provided in subsection (a) of this Section) on its part to be observed or performed
10 under this Resolution, for a period of fifteen (15) days after written notice,
11 specifying such failure and requesting that it be remedied, is given to the County
12 by the holders of not less than 10% in aggregate principal amount of the Note,
13 unless such holders shall agree in writing to an extension of such time prior to its
14 expiration;

15 (c) Any warranty, representation or other statement by or on behalf of
16 the County contained in this Resolution or the Purchase Agreement or in any
17 requisition or any financial report delivered by the County or in any instrument
18 furnished in compliance with or in reference to this Resolution or the Purchase
19 Agreement or in connection with the Note, is false or misleading in any material
20 respect;

21 (d) A petition is filed against the County under any bankruptcy,
22 reorganization, arrangement, insolvency, readjustment of debt, dissolution or
23 liquidation law of any jurisdiction, whether now or hereafter in effect and is not
24 dismissed within 30 days after such filing, but the holders of the Note shall have
25 the right to intervene in the proceedings prior to the expiration of such 30 days to
26 protect their interests;

27 (e) The County files a petition in voluntary bankruptcy or seeking
28 relief under any provision of any bankruptcy, reorganization, arrangement,
insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction,
whether now or hereafter in effect, or consents to the filing of any petition against
it under such law; or

(f) The County admits insolvency or bankruptcy or is generally not
paying its debts as such debts become due, or becomes insolvent or bankrupt or
makes an assignment for the benefit of creditors, or a custodian (including without
limitation a receiver, liquidator or trustee) of the County or any of its property is
appointed by court order or takes possession thereof and such order remains in
effect or such possession continues for more than 30 days, but the holders of the
Note shall have the right to intervene in the proceedings prior to the expiration of
such 30 days to protect their interests;

Whenever any Event of Default referred to in this Section 12 shall have happened
and be continuing, the holders of the Note and any adversely affected former holders of the Note,
and their legal representatives, shall, in addition to any other remedies provided herein, have the

1 right, at their option without any further demand or notice, to take one or any combination of the
2 following remedial steps:

3 (a) Without declaring the Note to be immediately due and payable,
4 require the County to pay to the Paying Agent on behalf of the holders of the Note,
5 an amount equal to the principal of the Note and interest thereon to maturity, plus
6 all other amounts due hereunder, and upon notice to the County the same shall
7 become immediately due and payable by the County without further notice or
8 demand; and

9 (b) Take whatever other action at law or in equity (except for
10 acceleration of payment on the Note) which may appear necessary or desirable to
11 collect the amounts then due and thereafter to become due hereunder or to enforce
12 any other of its rights hereunder.

13 **Section 13. Application of Amounts After Default.** Notwithstanding anything
14 to the contrary contained herein, after a default by the County, all funds and accounts held by the
15 Paying Agent and all payments received by the Paying Agent with respect to the Note after an
16 Event of Default by the County pursuant to Section 12 hereof, and all damages or other payments
17 received by the Paying Agent for the enforcement of any rights and powers of the Paying Agent
18 under Section 12, shall be deposited into the Payment Account and as soon as practicable
19 thereafter applied to the payment of all amounts then due as interest on the Note and any Parity
20 Note, and thereafter to the payment of all amounts due as principal on the Note and any Parity
21 Note, ratably without preference or priority of any kind, according to the amounts due and
22 payable with respect to such Note and Parity Note.

23 **Section 14. Paying Agent.** The Bank of New York Mellon Trust Company, N.A.
24 is hereby appointed as paying agent and registrar for the Note. The County hereby directs and
25 authorizes the payment by the Paying Agent of the interest on and principal of the Note when
26 such become due and payable, from the Payment Account held by the Paying Agent in the name
27 of the County in the manner set forth herein. The County hereby covenants to deposit funds in
28 such account at the time and in the amount specified herein to provide sufficient moneys to pay
the principal of and interest on the Note on the day on which it matures. Payment of the Note
shall be in accordance with the terms of the Note and this Resolution.

Section 15. Approval of Actions. All actions heretofore taken by the officers
and agents of the County or this Board with respect to the sale and issuance of the Note are
hereby approved, confirmed and ratified, and the County Officers and agents of the County are
hereby authorized and directed, for and in the name and on behalf of the County, 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 delivery of the Note in accordance with, and related transactions
contemplated by, this Resolution.

Section 16. Proceedings Constitute Contract. The provisions of the Note and
of this Resolution shall constitute a contract between the County and the registered holders of the
Note and such provisions shall be enforceable by mandamus or any other appropriate suit, action
or proceeding at law or in equity in any court of competent jurisdiction, and shall be irrevocable.

1 **Section 17. Limited Liability.** Notwithstanding anything to the contrary
2 contained herein or in the Note or in any other document mentioned herein or related to the Note,
3 the County shall not have any liability hereunder or by reason hereof or in connection with the
4 transactions contemplated hereby except to the extent payable from moneys available therefor as
5 set forth in Section 7 hereof.

6 **Section 18. Amendments.** At any time or from time to time, the County may
7 adopt one or more Supplemental Resolutions without the necessity for consent of the owner of the
8 Note for any one or more of the following purposes:

9 (a) to add to the covenants and agreements of the County in this
10 Resolution, other covenants and agreements to be observed by the County which
11 are not contrary to or inconsistent with this Resolution as theretofore in effect;

12 (b) to add to the limitations and restrictions in this Resolution, other
13 limitations and restrictions to be observed by the County which are not contrary to
14 or inconsistent with this Resolution as theretofore in effect;

15 (c) to confirm, as further assurance, any pledge under, and the
16 subjection to any lien or pledge created or to be created by, this Resolution, of any
17 monies, securities or funds, or to establish any additional funds or accounts to be
18 held under this Resolution;

19 (d) to cure any ambiguity, supply any omission, or cure or correct any
20 defect or inconsistent provision in this Resolution; or

21 (e) to amend or supplement this Resolution in any other respect;

22 provided, however, that any such Supplemental Resolution does not adversely affect the interests
23 of the holders of the Note.

24 Any modifications or amendment of this Resolution and of the rights and
25 obligations of the County and of the holders of the Note may be made by a Supplemental
26 Resolution, with the written consent of the holders of at least a majority in principal amount of
27 the Note outstanding at the time such consent is given; *provided, however,* that if such
28 modification or amendment will, by its terms, not take effect so long as the Note remains
outstanding, the consent of the holders of such Note shall not be required. No such modification
or amendment shall permit a change in the maturity of the Note or a reduction of the principal
amount thereof or an extension of the time of any payment thereon or a reduction of the rate of
interest thereon, or a change in the date or amounts of the pledge set forth in this Resolution,
without the consent of the holders of such Note, or shall reduce the percentage of the Note, the
consent of the holders of which is required to effect any such modification or amendment, or shall
change or modify any of the rights or obligations of the Paying Agent without its written assent
thereto.

Section 19. Severability. In the event any provision of this Resolution shall be
held invalid or unenforceable by any court of competent jurisdiction, such holding shall not
invalidate or render unenforceable any other provision hereof.

1 **Section 20. Appointment of Bond Counsel and Disclosure Counsel.** The
2 County approves and consents to the appointment of the law firm of Orrick, Herrington &
3 Sutcliffe LLP, Los Angeles, California as Bond Counsel for the Note. The County acknowledges
4 that Bond Counsel regularly performs legal services for many private and public entities in
5 connection with a wide variety of matters, and that Bond Counsel has represented, is representing
6 or may in the future represent other public entities, underwriters, trustees, rating agencies,
7 insurers, credit enhancement providers, lenders, financial and other consultants who may have a
8 role or interest in the proposed financing or that may be involved with or adverse to County in
9 this or some other matter. Given the special, limited role of Bond Counsel described above, the
10 County acknowledges that no conflict of interest exists or would exist, waives any conflict of
11 interest that might appear to exist, and consents to any and all such relationships.

12 The County approves and consents to the appointment of the law firm of Kutak
13 Rock LLP, Los Angeles, California as Disclosure Counsel for the Note.

14 **Section 21. Appointment of Financial Advisor and Underwriter.** The County
15 approves the appointment of Fieldman, Rolapp & Associates as financial advisor for the County
16 for the Note (the "Financial Advisor") pursuant to its existing contract to provide financial
17 advisory services for the County.

18 The County approves and consents to the appointment of J.P. Morgan Securities
19 LLC, as senior manager, together with Wells Fargo Securities, as co-manager, (collectively, the
20 "Underwriter") for the Note.

21 **Section 22. Effective Date.** This Resolution shall take effect from and after its
22 date of adoption.

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[Attach form of Certification of the Clerk with respect to the Resolution.]

1 **EXHIBIT A**

2 **FORM OF NOTE**

3 COUNTY OF RIVERSIDE

4 2014 TAX AND REVENUE ANTICIPATION NOTE, SERIES ___^{*/}

<u>Interest Rate</u> %	<u>Maturity Date</u>	<u>Date of Original Issue</u> July __, 2014
<u>First Repayment Month</u>	<u>Second Repayment Month</u>	<u>Third Repayment Month</u>
___% (Total of principal and interest due on Note at maturity)	___% (Total of principal and interest due on Note at maturity)	___% (Total of principal and interest due on Note at maturity) ^{**/}

11 **REGISTERED OWNER:**

12 **PRINCIPAL AMOUNT:**

13 **FOR VALUE RECEIVED**, the County of Riverside (the "County")
14 acknowledges itself indebted, and promises to pay, to the registered owner identified above, or
15 registered assigns, on the maturity date set forth above, the principal sum specified above in
16 lawful money of the United States of America, and to pay interest thereon on [_____, 201__
17 and on the Maturity Date], at the Interest Rate specified above (the "Note Rate"). Principal of
18 and interest on this Note are payable in such coin or currency of the United States as at the time
19 of payment is legal tender for payment of private and public debts, such principal to be paid upon
20 surrender hereof at the office of The Bank of New York Mellon Trust company, N.A., or its
21 successor (the "Paying Agent"). Interest shall be calculated on the basis of a 360-day year,
22 consisting of twelve 30-day months, in like lawful money from the date hereof until the maturity
23 date specified above and, if funds are not provided for payment at maturity, thereafter on the basis
24 of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the
25 principal of and interest on this Note shall be payable only to the registered owner hereof upon
26 surrender of this Note as the same shall fall due; *provided, however*, no interest shall be payable
27 for any period after maturity during which the holder hereof fails to properly present this Note for
28 payment.

It is hereby certified, recited and declared that this Note (the "Note") represents the authorized issue of the Note in the aggregate principal amount made, executed and given pursuant to and by authority of certain resolutions of the Board of Supervisors of the County duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850)

*/ If more than one Series is issued in the Repayment Fiscal Year.

**/ Number of Repayment Dates and percentages to be determined in Purchase Agreement (as defined in the Resolution).

1 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the
2 "Resolution"), to all of the provisions and limitations of which the owner of this Note, by
3 acceptance hereof, assents and agrees.

4 The principal of the Note, together with the interest thereon, shall be payable from
5 taxes, income, revenue, cash receipts and other moneys which are received or accrued by the
6 County for the general fund of the County and are provided for or attributable to the Repayment
7 Fiscal Year, as defined in the Resolution, and which are available for payment thereof. As
8 security for the payment of the principal of and interest on the Note, the County has pledged from
9 Unrestricted Revenues of the County received in the Repayment Months (as defined in the
10 Resolution) identified in the Purchase Agreement (as defined in the Resolution) (and any amounts
11 received thereafter provided for or attributable to the Repayment Fiscal Year) until the amount on
12 deposit in the Payment Account (as defined in the Resolution) in each such month, is equal to the
13 corresponding percentages of principal of and interest due on the Note as set forth in the Purchase
14 Agreement (such pledged amounts being hereinafter called the "Pledged Revenues"), and the
15 principal of the Note and the interest thereon shall constitute a first lien and charge thereon and
16 shall be payable from the Pledged Revenues, and to the extent not so paid shall be paid from any
17 other moneys of the County lawfully available therefor as set forth in the Resolution. The full
18 faith and credit of the County is not pledged to the payment of the principal or interest on this
19 Note.

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

24 It is hereby certified that all of the conditions, things and acts required to exist, to
25 have happened and to have been performed precedent to and in the issuance of this Note do exist,
26 have happened and have been performed in due time, form and manner as required by the
27 Constitution and statutes of the State of California and that the amount of this Note, together with
28 all other indebtedness of the County, does not exceed any limit prescribed by the Constitution or
statutes of the State of California.

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IN WITNESS WHEREOF, the Board of the County has caused this Note to be executed by the manual or facsimile signature of a duly authorized County Officer of the County and countersigned by the manual or facsimile signature of the Secretary or Clerk of the Board as of the date of original issue set forth above.

COUNTY OF RIVERSIDE

By: _____
Title:

Countersigned

By: _____
Title: Clerk

§
COUNTY OF RIVERSIDE
2014-2015 TAX AND REVENUE
ANTICIPATION NOTES, SERIES A

CONTRACT OF PURCHASE

June __, 2014

Riverside County Board of Supervisors
County of Riverside
4080 Lemon Street, 4th Floor
Riverside, California 92501

Ladies and Gentlemen:

The undersigned, as representative of itself and Wells Fargo Bank, N.A. (collectively, the "Underwriters") offers to enter into this Contract of Purchase (the "Purchase Contract") with the County of Riverside (the "County"). This offer is made subject to written acceptance by the County prior to 11:59 p.m., Pacific Daylight Time, on the date hereof, and, upon such acceptance, this Purchase Contract will be binding upon the County and the Underwriters.

1. Purchase and Sale of the Notes. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the County for reoffering to the public, and the County hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the County's 2014-2015 Tax and Revenue Anticipation Notes, Series A in the aggregate principal amount of \$_____ (the "Notes"). The aggregate purchase price to be paid by the Underwriters for the Notes shall be \$_____, being the principal amount of the Notes, plus original issue premium of \$_____, and less an Underwriters' discount of \$_____.

2. The Notes. The Notes shall be dated their date of issuance and shall mature on _____, 2015. The Notes are being issued under a resolution adopted by the Board of Supervisors of the County (the "Resolution"), in full conformity with the Constitution and laws of the State of California including Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the "Act"), as amended and supplemented. The Series A Notes will bear interest at the rate of _____% per annum, priced to yield _____% to maturity. The Notes will be registered initially in the name of "Cede & Co." as nominee of The Depository Trust Company ("DTC") in New York, N.Y., the securities depository for the Notes.

3. Use of Documents. The County has delivered to the Underwriters its Preliminary Official Statement dated May __, 2014 (the "Preliminary Official Statement"). As of its date, such Preliminary Official Statement has been "deemed final" by the County for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), except for information permitted to be omitted by said Rule. The County agrees to deliver to the Underwriters a final Official Statement, dated the date hereof (the "Official Statement") within 7 business days from the date hereof and in sufficient time to accompany any confirmations requesting payment sent to purchasers. The Preliminary Official

Statement and the Official Statement shall be in the designated electronic format to comply with Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board ("MSRB"). The County has approved the distribution by the Underwriters of the Official Statement and the County hereby authorizes the Underwriters to use, in connection with the offer and sale of the Notes, the Official Statement and the Resolution and all information contained herein and therein and all other documents, agreements, certificates or statements furnished by the County to the Underwriters or entered into in connection with the transactions contemplated by this Purchase Contract.

The County will undertake, pursuant to a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), to provide ongoing periodic disclosure and notices of the occurrence of certain events, if material. A description of such undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

In connection with the issuance of the Notes, the County will enter into the Paying Agent Agreement, dated as of July 1, 2014 (the "Paying Agent Agreement"), by and between County and The Bank of New York Mellon Trust Company, N.A., (the "Paying Agent"), a national banking association duly organized and operating under the laws of the United States of America.

4. Public Offering of the Notes. The Underwriters agree to make a bona fide public offering of the Notes at the price or yield set forth on the cover of the Official Statement. The Underwriter may offer and sell the Notes to certain dealers and banks at prices lower than the public offering price stated on the cover of the Official Statement and said public offering price may be changed from time to time by the Underwriters.

The County acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Purchase Contract is an arm's-length commercial transaction between the County and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and is not acting as the agent or fiduciary of the County, (iii) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the County with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or is currently providing other services to the County on other matters) and the Underwriters have no obligation to the County with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract and (iv) the County has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

5. Closing. At 8:00 a.m., Pacific Daylight Time, on July __, 2014, or at such other time and on such other date as shall have been mutually agreed upon by the County and the Underwriters (the "Closing Date"), the County will deliver to the Underwriters, through the facilities of DTC, the Notes in registered form duly executed and other documents hereinafter mentioned, and the Underwriters will accept such delivery and pay the purchase price thereof in immediately available funds to the order of the County (the "Closing").

6. Representations, Warranties and Agreements of the County. The County hereby represents, warrants and agrees with the Underwriters that:

(a) The County is a political subdivision, organized and existing pursuant to the Constitution and laws of the State of California (the "State"), and has all requisite right,

power and authority to conduct its business, to adopt the Resolution, to issue the Notes and to execute this Purchase Contract, the Paying Agent Agreement and the Continuing Disclosure Certificate (collectively, the "Documents"), and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by the Documents.

(b) All representations and warranties set forth in the Resolution are true and correct on the date hereof and are made for the benefit of the Underwriters as if set forth herein.

(c) (i) At or prior to the Closing, the County will have taken all actions required to be taken by it to authorize the issuance and delivery of the Notes; (ii) the execution and delivery of the Notes and the Documents, the adoption by the County of the Resolution, and the performance by the County of the obligations contained in the Documents, have been duly authorized and such authorization will be in full force and effect at the time of the Closing, and when duly executed and delivered the Notes and the Documents will constitute the valid and legally binding obligation of the County enforceable against the County in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws in effect for the protection of debtors and by application of general principles of equity; (iii) this Purchase Contract has been duly executed and delivered and constitutes the valid and legally binding obligation of the County enforceable against the County in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws in effect for the protection of debtors and by application of general principles of equity; (iv) the Board of Supervisors has duly authorized the consummation by the County of all transactions contemplated by the Documents and the Resolution; and (v) the County has authorized and approved the Preliminary Official Statement and the Official Statement and the distribution thereof by the Underwriters.

(d) No consent, approval, authorization, license, order, filing, registration, qualification, election or referendum, of or by any person, organization, State court or State governmental agency or public body whatsoever is required for the consummation of the transactions contemplated hereby, except for such actions as have been taken or as may be necessary to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may designate (except that the County shall not be responsible for the failure to comply with any such laws or regulations with regard to Blue Sky).

(e) The adoption of the Resolution and the execution and delivery of this Purchase Contract, and compliance with the provisions hereof and thereof, will not in any material respect conflict with, or constitute a breach of or default under, the County's duties under the Resolution or any law, administrative regulation, court decree, resolution, by-laws or other agreement to which the County is subject or by which it or any of its property is bound.

(f) Except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before any State court or public body, pending or, to the knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of

the County or the entitlement of the officials of the County to their respective offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Notes, the application of the proceeds of the sale of the Notes, or the collection of revenues or taxes of the County pledged or to be pledged or available to pay the principal of and interest on the Notes, or the pledge thereof, or in any way contesting the validity of the Notes or the Documents, or contesting the powers or authority of the County with respect to the Notes or the Documents; or (iii) in which a final adverse decision would (a) materially adversely affect the consummation of the transactions contemplated by the Documents, or (b) declare the Documents to be invalid or unenforceable in whole or in material part.

(g) As of the date thereof and at all times prior to the execution of this Purchase Contract, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for information permitted to be omitted therefrom by the Rule 15c2-12.

(h) As of the date hereof, the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If between the date of the Official Statement and the Closing (i) any event shall occur or any pre-existing fact or condition shall become known which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall promptly notify the Underwriters thereof, and (ii) if in the reasonable opinion of the Underwriters and the County, such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its expense supplement or amend the Official Statement in a form and in a manner jointly approved by the Underwriters and the County, which approval shall not be unreasonably withheld.

(i) The County undertakes that, for a period beginning with the day on which the Notes are delivered to the Underwriters and ending on the earlier of (i) the 25th day following the end of the underwriting period, as defined in the Rule, or (ii) 90 days following Closing, it will (a) apprise the Underwriters of all material developments, if any, occurring with respect to the County and (b) if determined by the County or requested by the Underwriters, prepare a supplement to the Official Statement in respect of any such material event. The period described in the preceding sentence shall be reduced to twenty-five (25) days following the end of the underwriting period if the Official Statement has been deposited with the MSRB and is available from such depository upon request. The Underwriters hereby agree to use their best efforts to deposit the Official Statement with the MSRB so that such period will be reduced to twenty-five (25) days following the end of the underwriting period. Unless otherwise notified in writing by the Underwriters, the County may assume that the end of this underwriting period occurs on the date when the County delivers the Notes to the Underwriters.

(j) Between the date hereof and the Closing, without the prior written consent of the Underwriters, the County will not have issued any bonds, notes or other obligations for borrowed money except as may be described in or contemplated by the Official Statement.

(k) Any certificates signed by any official of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters as to the statements made therein but not of the person signing the same.

(l) The County will punctually pay or cause to be paid the principal of and interest to become due on the Notes in strict conformity with the terms of the Resolution and the Notes and it will faithfully observe and perform all of the conditions, covenants and requirements of the Notes and the Documents.

(m) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters if and as the Underwriters may reasonably request in order (i) to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may designate and (ii) to determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions and will, if requested by the Underwriters, use its best efforts to continue such qualifications in effect so long as required for distribution of the Notes; provided that the County shall not be required to pay any fees in connection with the foregoing or to subject itself to service of process in any jurisdiction in which it is not presently so subject.

(n) Between the date hereof and the Closing, the County will not modify or amend the Resolution without the prior written consent of the Underwriters.

(o) The County will enter into the Continuing Disclosure Certificate in order to provide the information required therein. Except as disclosed in the Official Statement, the County has not failed to comply in all material respects with a continuing undertaking under the Rule during the previous five years.

(p) The Notes will be issued only under and within the limits of the Act, and, as such, are general obligations of the County, but payable only out of certain taxes, income, revenue, cash receipts and other moneys to be received by the County attributable to County Fiscal Year 2014-15, as set forth in the Resolution.

(q) The County's Comprehensive Annual Financial Report (CAFR) as of June 30, 2013, for the fiscal year ended on such date, as described or set forth, as appropriate, in the Official Statement, is true, complete and correct and fairly presents the financial condition of the County as of such date and the results of its operations for such fiscal year. There has been no material adverse change in the financial condition of the County since June 30, 2013, except as described in the CAFR or the Official Statement.

(r) In order to effect the pledge of Pledged Revenues provided in the Resolution, the County hereby agrees to be deposited in the Payment Account (as defined in the Resolution) (i) an amount equal to 60% of the principal amount of principal of and interest on the Notes at maturity from Unrestricted Revenues (as defined in the Resolution) received by the County in the month of January 2015; and (b) an amount equal to 40% of the principal amount of and interest on the Notes at maturity, from unrestricted revenues received by the County in the month of May 2015 (and any amounts received thereafter provided for or attributable to Fiscal Year 2014-15), until the amount on deposit in the Payment Account is equal to the percentage of the principal and interest due on the Notes. Any such deposit may

take into consideration anticipated investment earnings on amounts deposited in an Investment Agreement that is a Permitted Investment through the Maturity Date.

7. Conditions to Obligations of Underwriters at Closing. The Underwriters have entered into this Purchase Contract in reliance upon the representations and warranties of the County contained herein and the performance by the County of its obligations hereunder, as of the date hereof and as of the Closing. The obligation of the Underwriters to purchase the Notes at the Closing is subject to the following further conditions, any or all of which can be waived by the Underwriters in writing:

(a) The representations and warranties of the County contained herein shall be true and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing and otherwise pursuant hereto shall be true and correct in all material respects at and as of the Closing;

(b) At and as of the Closing (i) the Official Statement, this Purchase Contract, the Paying Agent Agreement, the Continuing Disclosure Certificate and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been jointly agreed to in writing by the County and the Underwriters; (ii) all actions under the Act which, in the opinion of Orrick, Herrington & Sutcliffe LLP, Note Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County shall perform or have performed all of its obligations required under or specified in the Resolution or this Purchase Contract to be performed at or prior to the Closing;

(c) To the best knowledge of the County, based on reasonable inquiry, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, is pending or threatened against the County which has any of the effects described in Paragraph 6(f) hereof or contesting in any way the completeness or accuracy of the Official Statement; and

(d) At or prior to the Closing, the Underwriters shall have received a copy of the following documents in each case dated at and as of the Closing and satisfactory in form and substance to the Underwriters:

(1) An approving opinion of Note Counsel as to the Notes in the form attached to the Official Statement as APPENDIX C, addressed to the County, together with a reliance letter addressed to the Underwriters;

(2) A supplemental opinion of Note Counsel, addressed to the Underwriters, to the effect that:

(i) the Purchase Contract and the Paying Agent Agreement] has been duly executed and delivered by the County and is a valid and binding agreement of the County, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in

appropriate cases and to limitations on legal remedies against counties in the State and except that no opinion need be expressed with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability;

(ii) the statements contained in the Official Statement in the sections thereof entitled "THE NOTES," "TAX MATTERS," and the Appendix containing the form of approving opinion, excluding any material that may be treated as included under such captions by cross-reference, insofar as such statements expressly summarize certain provisions of the Resolution and the Notes and the form and content of the approving opinion, are accurate in all material respects; and

(iii) the Notes are not subject to the registration requirements of Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(3) The negative assurance letter, dated the date of the Closing and addressed to the County and the Underwriters, of Kutak Rock LLP, as Disclosure Counsel to the County, to the effect that based upon their participation in the preparation of the Official Statement as Disclosure Counsel to the County and without having undertaken to determine independently the accuracy or completeness of the contents in the Official Statement, such counsel has no reason to believe that the Official Statement, as of its date and as of the Closing Date (except for the financial statements, projections and the other financial and statistical data included therein and the information included therein relating to The Depository Trust Company and the book-entry system, as to which no opinion or belief need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(4) An opinion of the County Counsel, addressed to the Underwriters, to the effect that:

(i) The County is a political subdivision duly organized and validly existing under and by virtue of the Constitution and laws of the State of California.

(ii) The Resolution was duly adopted on May __, 2014 at a meeting of the Board of Supervisors which was called and held pursuant to law, with all public notice required by law, and at which a quorum was present and acting throughout and the Resolution is in full force and effect and has not been amended, modified or rescinded.

(iii) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best of my knowledge, threatened against or affecting the County in which an unfavorable decision, ruling or finding would materially adversely affect the participation of the County in, or consummation of, the transactions

contemplated by the Official Statement, the Notes, the Purchase Contract or the Resolution, or in any way contesting the existence of the County or its powers with respect thereto, nor, to the best of my knowledge, is there any basis for any such action, suit, proceeding or investigation.

(iv) The County has full right and lawful authority to adopt the Resolution and to execute and deliver the Notes, the Purchase Contract and the Official Statement, such documents have been duly authorized, executed and delivered on behalf of the County, and the Purchase Contract and the Resolution constitute the legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or limiting creditors' rights generally, by the principles of equity if equitable remedies are sought, by the exercise of judicial discretion and by the limitations on remedies against counties in the State of California;

(v) To the best of the County Counsel's knowledge, the adoption of the Resolution and the execution and delivery of the Notes, the Purchase Contract and the Official Statement and compliance by the County with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument applicable to or binding upon the County or any existing law, regulation, court order or consent decree to which the County is subject; and

(vi) To the best of my knowledge, the information concerning the County contained in the Official Statement (excluding information regarding DTC and all financial or statistical information as to which no opinion is expressed) is correct in all material respects and does not contain any untrue or misleading statement of a material fact or omit a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(5) The certificate of the County, dated the Closing Date, to the effect that:

(i) the County is a political subdivision duly organized and existing under the Constitution of the laws of the State;

(ii) the Resolution was duly adopted at a meeting of the Board of Supervisors which was called and held pursuant to law with all public notice required by law and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been amended, modified or rescinded;

(iii) the adoption of the Resolution and the execution and delivery of the Notes and the Documents and compliance with the provisions hereof and thereof, under the circumstances contemplated thereby and hereby, do not

conflict with or constitute on the part of the County a material breach of or material default under any agreement or other instrument applicable or binding upon the County or any of its properties or any existing law, regulation, court order or consent decree to which the County or any of its properties is subject;

(iv) the County has full right and lawful authority to deliver the Official Statement, to execute and deliver the Notes, and to execute and deliver the Documents, to adopt the Resolution and the County has duly authorized, executed and delivered the Official Statement and the Documents;

(v) Except as otherwise disclosed in the Official Statement, there is no action, suit or proceeding, inquiry or investigation before or by any State court, public board or body, other than as disclosed in the Official Statement pending or, to the knowledge of the County, threatened against or affecting the County, (a) contesting in any way the completeness or accuracy of the Official Statement, or wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition of the County, the transactions contemplated by the Documents, the Resolution or by the Official Statement, or (b) which will adversely affect the validity or enforceability of, or the authority or ability of the County to perform its obligations under the Notes, the Documents, the Resolution, or any other agreement or instrument to which the County is a party and which is used or contemplated for use in consummation of the transactions contemplated by the Documents, the Resolution or the Official Statement; and

(vi) The representations and warranties of the County herein are true and correct in all material respects as of the date made and as of the date of the Closing, and the County has performed all its obligations required under or specified in the Resolution and the Documents to be performed at or prior to the Closing; and

(vii) The Official Statement did not contain as of its date and does not contain as of the Closing Date any untrue statement of a material fact and did not omit as of its date and does not omit as of the Closing Date to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(6) A certificate of the Clerk of the Board of Supervisors of the County, together with a fully executed copy of the Resolution, to the effect that:

(i) such copy is a true and correct copy of the Resolution; and

(ii) the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect at and as of the Closing Date, except for amendments, if any, adopted with the consent of the Underwriters;

(7) A certificate, dated the Closing Date, signed by a duly authorized official of the Paying Agent, to the effect that:

(i) The Paying Agent is a national banking association existing under the laws of the United States of America, and has full power and is qualified to accept and comply with the terms of the Paying Agent Agreement and the Resolution, and to perform its obligations stated therein.

(ii) The Paying Agent is duly authorized to enter into the Paying Agent Agreement and the Paying Agent has accepted the duties and obligations imposed on it by the Paying Agent Agreement and the Resolution; and upon execution by the County, the Paying Agent Agreement will constitute the valid and binding obligation of the Paying Agent.

(iii) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Paying Agent that has not been obtained is or will be required for the consummation by the Paying Agent of the transactions contemplated by the Paying Agent Agreement and by the Paying Agent of the transactions contemplated by the Resolution to be undertaken by the Paying Agent.

(iv) The execution and delivery by the Paying Agent of the Paying Agent Agreement, and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Paying Agent is a party or by which it is bound, or, to the knowledge of the Paying Agent, any law, rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Paying Agent.

(v) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, served on, or, to the best knowledge of such officer, threatened against, the Paying Agent, affecting the existence of the Paying Agent or the titles of its officers to their respective offices, or in any way contesting or affecting the validity or enforceability of the Paying Agent Agreement against the Paying Agent, or contesting the power of the Paying Agent or its authority to enter into, adopt or perform its obligations under the Paying Agent Agreement, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Paying Agent Agreement against the Paying Agent.

(8) A certified copy of the general resolution of the Paying Agent authorizing the execution and delivery of the Paying Agent Agreement.

(9) An non-arbitrage certification from the County in form and substance satisfactory to Note Counsel, signed by an official of the County;

(10) Evidence from Standard & Poor's Ratings Group, a Division of The McGraw-Hill Companies, Inc. ("S&P") and Fitch, Inc. ("Fitch") that the Notes have

been rated “[SP-1+]” and “[F1+],” respectively, and that such ratings continue in effect as of the Closing;

(11) Certified copies of the Resolution and one executed original of each of the Documents and such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters or Note Counsel may reasonably request in order to evidence compliance by the County with legal requirements, the truth and accuracy, at and as of the Closing, of the representations, warranties and agreements of the County herein contained and the statements contained in the Official Statement, and the due performance and satisfaction by the County at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the County;

(12) An opinion, dated the Closing Date addressed to the Underwriters, of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriters, in such form as may be acceptable to the Underwriters; and

(13) Such additional certificates, instruments and other documents as the Underwriters may reasonably deem necessary.

8. Termination of Obligations of Underwriters. If the County shall be unable to satisfy the conditions set forth in Section 7 to the obligations of the Underwriters contained in this Purchase Contract, the obligations of the Underwriters under this Purchase Contract may be terminated by the Underwriters by notice to the County at, or at any time prior to, the Closing Date. Notwithstanding any provision herein to the contrary, the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Underwriters in writing in their sole discretion.

The Underwriters shall also have the right to terminate, in their sole discretion, their obligations under this Purchase Contract, by notice to the County at, or at any time prior to the Closing, if between the date hereof and the Closing:

(i) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading in any material respect and, in either such event, the County refuses to permit the Official Statement to be supplemented to supply such statement or information or the effect of the Official Statement as so supplemented is, in the judgment of the Underwriters, to materially adversely affect the market for the Notes or the sale, at the contemplated offering prices (or yields), by the Underwriters of the Notes; or

(ii) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the State, either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United

States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the taxation of interest received on obligations of the general character of the Notes which, in the opinion of the Underwriters, materially adversely affects the market for the Notes or the sale, at the contemplated offering prices (or yields), by the Underwriters of the Notes; or

(iii) No order, decree or injunction of any court of competent jurisdiction, nor any order, ruling or regulation of the Securities and Exchange Commission, has been issued or made with the purpose or effect of prohibiting the issuance, offering or sale of the Notes as contemplated hereby and no legislation has been enacted, or a bill favorably reported for adoption, or a decision by any court rendered, or a ruling, regulation, proposed regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter has been made or issued, to the effect that the Notes or any other securities of the County or of any similar body of the type contemplated herein are not exempt from the registration, qualification or other requirements of the Securities Act and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect; or

(iv) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Notes, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Notes, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(v) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable judgment of the Underwriters, impractical or inadvisable to proceed with the offering of the Notes as contemplated in the Official Statement; or

(vi) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (i) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Notes or similar obligations; or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers such as to make it, in the judgment

of the Underwriters, impractical or inadvisable to proceed with the offering of the Notes as contemplated in the Official Statement; or

(vii) a general banking moratorium shall have been declared by federal or New York or Massachusetts state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Underwriters, impractical or inadvisable to proceed with the offering of the Notes as contemplated in the Official Statement; or

(viii) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's, S&P, or Fitch Ratings ("Fitch") of any debt securities issued by the County, or (ii) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities issued by the County, including the Notes.

9. Conditions to Obligations of the County. The performance by the County of its obligations under this Purchase Contract with respect to issuance, sale and delivery of the Notes to the Underwriters is conditioned upon (i) the performance by the Underwriters of its obligations hereunder; and (ii) receipt by the County and the Underwriters of opinions and certificates being delivered at or prior to the Closing by persons and entities other than the County.

10. Expenses. (a) The Underwriters shall be under no obligation to pay, and the County shall pay from its available funds or from the proceeds of the Notes, the following expenses: (i) all expenses in connection with the preparation, distribution and delivery of the Preliminary Official Statement, the Official Statement, and any amendment or supplement thereto, and this Purchase Contract; (ii) all expenses in connection with the printing, issuance and delivery of the Notes; (iii) the fees and disbursements of Note Counsel and Disclosure Counsel; (iv) the fees and disbursements of counsel and consultants, including the County's financial advisor, in connection with the Notes; (v) the disbursements of the County in connection with the Notes; (vi) the fees and disbursements of the Paying Agent; (vii) any and all fees incurred in connection with obtaining a rating on the Notes or in obtaining any form of credit enhancement; and (viii) all expenses in connection with the preparation, execution and delivery of the Resolution and the Notes. The County will also pay (or cause to be paid) expenses (included in the expense component of the spread) incurred on behalf of the County's employees (including, but not limited to, meals, transportation, lodging and entertainment) which are incidental to implementing this Purchase Contract.

(b) The Underwriters shall bear all of its own expenses and fees incident to the purchase and resale of the Notes (including its counsel) and costs of qualifying the Notes for sale under the Blue Sky laws of any state.

The County shall be under no obligation to pay, and the Underwriters shall pay: (i) the cost of producing this Purchase Contract; (ii) any advertising expenses in connection with the public offering of the Notes; (iii) MSRB fees; and (iv) all other expenses incurred by them or any of them in connection with their public offering and distribution of the Notes, including the fees and disbursements of counsel retained by them, and the fees, if any, for CUSIP numbers. The Underwriters are required to pay the fees of the California Debt and Investment Advisory Commission in connection with the offering of the Notes. Notwithstanding that such fees are solely the legal obligation of the Underwriters, the County agrees to reimburse the Underwriters for such fees.

11. Notices. Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) shall be given by telephone or telex, confirmed in writing, or by delivering the same in writing, if to the County, to the address first written above, attention: County Executive Officer, or if to the Underwriters, J.P. Morgan Securities LLC, 1415 L Street, Suite 650, Sacramento, California 95814, attention: Juan Fernandez.

12. Parties in Interest: Survival of Representations and Warranties. This Purchase Contract when accepted by the County in writing as specified herein shall constitute the entire agreement between the County and the Underwriters and is made solely for the benefit of the County and the Underwriters (including their respective successors and assigns). No other person shall acquire or have any right hereunder or by virtue hereof. The obligations of the County arising out of its representations and warranties in this Purchase Contract shall not be affected by any investigation made by or on behalf of the Underwriters.

13. Execution in Counterparts. This Purchase Contract may be executed in counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

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14. Applicable Law. This Purchase Contract shall be interpreted under, governed by and enforced in accordance with the laws of the State of California.

Very truly yours,

J.P. MORGAN SECURITIES LLC, as
representative of the Underwriters

By _____
Title: _____

The foregoing is hereby agreed to
and accepted as of the date first
above written:

COUNTY OF RIVERSIDE

By _____
Jay E. Orr
County Executive Officer
Time of Execution: _____

PAYING AGENT AGREEMENT

THIS PAYING AGENT AGREEMENT is entered into as of July 1, 2014 (the "Agreement"), by and between County of Riverside, California (the "County") and The Bank of New York Mellon Trust Company, N.A., (the "Paying Agent"), a national banking association duly organized and operating under the laws of the United States of America.

WHEREAS, the County has duly authorized the sale and issuance of the 2014 Tax and Revenue Anticipation Notes, Series A and 2014 Tax and Revenue Anticipation Notes, Series B (collectively, the "Notes") pursuant to the Resolution No. 2014-___ adopted by the County on May __, 2014 (the "Resolution");

WHEREAS, in connection with the issuance of its Notes, the County has agreed to pay certain of the costs associated with the issuance and delivery of the Notes (the "Costs of Issuance"); and

WHEREAS, the Paying Agent has agreed to act as Paying Agent for the Notes and to accept the deposit in the amount of \$ _____ for payment of certain Costs of Issuance (the "COI Deposit") and to disburse payments of Costs of Issuance to various persons, upon instruction and has full power and authority to perform and serve as Paying Agent for the County in connection with the Notes and the payment of the Costs of Issuance;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I APPOINTMENT OF PAYING AGENT

SECTION 1.01 APPOINTMENT. The County hereby appoints the Paying Agent to serve as Paying Agent with respect to the Notes and the payment of Costs of Issuance, upon receipt of invoices by the Paying Agent, all in accordance with, respectively, the Resolution and this Agreement. The Paying Agent hereby accepts its appointment and agrees to serve as Paying Agent for the Notes and the disbursement of the COI Deposit to pay Costs of Issuance.

SECTION 1.02 COMPENSATION. The Paying Agent will receive a one-time fee of \$1,000.00 payable out of the COI Deposit, as compensation for the Paying Agent's services hereunder. If the amount on deposit in the Costs of Issuance Account is not sufficient to pay such fee to the Paying Agent, the County shall pay the Paying Agent from available funds of the County all amounts necessary to compensate the Paying Agent pursuant to this Section 1.02. In addition, the Paying Agent shall be entitled to payment of all reasonable expenses (including, without limitation, legal fees and expenses) incurred in satisfaction of any of the provisions hereof, out of the COI Deposit or, if such funds no longer exist or are not sufficient, the County shall make such reimbursement to the Paying Agent.

**ARTICLE II
COST OF ISSUANCE ACCOUNT**

SECTION 2.01 **COSTS OF ISSUANCE ACCOUNT.** There is hereby established an account to be known as County of Riverside 2014 Tax and Revenue Anticipation Notes, Series A and Series B Costs of Issuance Account (the "Costs of Issuance Account") to be held by the Paying Agent, into which the County shall cause to be deposited the COI Deposit.

**ARTICLE III
DUTIES OF PAYING AGENT**

SECTION 3.01 **DUTIES OF PAYING AGENT.** (a) The Paying Agent shall pay from the COI Deposit held in the Costs of Issuance Account those Costs of Issuance for which the Paying Agent has received a written invoice; provided that (i) each payee is listed as entitled to payment of Costs of Issuance on Exhibit A to this Agreement, (ii) the amount paid shall not exceed the amount set forth with respect to such payee in Exhibit A and (iii) amounts on deposit in the Costs of Issuance Account are sufficient to cover such payment.

(b) If the then remaining amounts on deposit in the costs of Issuance Fund are insufficient to pay any Costs of Issuance for which an invoice set forth in Exhibit A has been presented to the Paying Agent, the Paying Agent shall honor invoices to the extent of amounts remaining on deposit in the Costs of Issuance Account, and the County shall be responsible for payment of any amount of such invoice remaining unpaid. The Paying Agent shall honor invoices on a first received – first paid basis.

(c) The Paying Agent shall invest all cash in the Costs of Issuance Account in the Federated Prime MMF (Fund#10) (the "Fund"), or as directed further by the County from time to time. The Paying Agent shall not be responsible for any investment losses which may occur.

The Paying Agent shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written investment direction from the County. The County acknowledges that regulations of the Comptroller of the Currency grant the County the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the County specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Paying Agent that no brokerage confirmations need be sent relating to the security transactions as they occur. The Paying Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by the County.

(d) Any earnings in the Costs of Issuance Account shall remain in said account, until such account is closed. The Costs of Issuance Account shall be closed on the earlier to occur of (1) the date which is 45 days following the Closing Date of the Notes; (2) the date on which each invoice scheduled on Exhibit A is paid in full; or (3) the date that the last available sums on deposit in the Costs of Issuance Account are disbursed in accordance with paragraph (a) above. At that time, the Paying Agent shall remit any amount remaining in the Costs of Issuance Account to the County.

(e) The Paying Agent shall also have such duties as assigned to it under the Resolution.

ARTICLE IV
ADDITIONAL PROVISIONS REGARDING THE PAYING AGENT

SECTION 4.01 **ADDITIONAL RIGHTS AND DUTIES.** The Paying Agent undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof and may conclusively rely on certificates, invoices and requisitions furnished to the Paying Agent. In addition:

(a) No provisions of this Agreement shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(b) The Paying Agent may rely, shall be protected in acting or refraining from acting upon and shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, resolution, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(c) The Paying Agent may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and completed authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(d) Neither the Paying Agent nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Agreement or in connection herewith except to the extent caused by the Paying Agent's gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review. The Paying Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(e) Any bank, corporation or association into which the Paying Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Paying Agent shall be the successor of the Paying Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

(f) The County shall indemnify, defend and hold harmless the Paying Agent and its officers, directors, employees and agents, from and against and reimburse the Paying Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Paying Agent

directly or indirectly relating to, or arising from, claims against the Paying Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Paying Agent's gross negligence or willful misconduct. The provisions of this Section 4.01(f) shall survive the termination of this Agreement or the earlier resignation or removal of the Paying Agent.

(g) The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Paying Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the County elects to give the Paying Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent's understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The County agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 4.02 **MONEY HELD BY PAYING AGENT.** The Paying Agent shall hold the COI Deposit in the Costs of Issuance Account to be held in a fiduciary capacity for the payment of Costs of Issuance. Payments made from the Costs of Issuance Account shall be made by check or wire transfer drawn on such trust account.

All funds at any time and from time to time provided to or held by the Paying Agent hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Paying Agent in trust and as a Paying Agent for the County, for payment of Costs of Issuance for the benefit of the County. The Paying Agent acknowledges, covenants, and represents that it is acting therein in an agency capacity in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as paying agent for and on behalf of the County, to be applied as Paying Agent pursuant to the terms of this Agreement. The County shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Paying Agent hereunder shall not be subject to warrants, drafts, or checks drawn by the County and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Paying Agent.

The Paying Agent shall be under no liability for interest on any money received by it hereunder.

**ARTICLE V
MISCELLANEOUS PROVISIONS**

SECTION 5.01 **AMENDMENT.** This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

SECTION 5.02 **ASSIGNMENT.** This Agreement may not be assigned by either party without prior written consent of the other, provided, however, that no such prior consent is required for an assignment by the Paying Agent if such assignment is to a successor by operation of law or in connection with a merger, consolidation, conversion or sale of all or substantially all of the Paying Agent's corporate trust business.

SECTION 5.03 **NOTICES.** Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the County or the Paying Agent shall be mailed or delivered to the following addresses:

To the Paying Agent at:

The Bank of New York Mellon Trust Company, N.A.
400 S. Hope Street, Suite 400
Los Angeles, CA 90071
Attn: Teresa Fructuoso
Tel: (213) 630-6249
Fax: (213) 630-6480

To the County at:

County of Riverside
Executive Office
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Attn: Principal Management Analyst

SECTION 5.04 **SUCCESSORS AND ASSIGNS.** All covenants and agreements herein by the County shall bind its successors and assigns, whether so expressed or not.

SECTION 5.05 **SEVERABILITY.** In case any provision herein shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 5.06 **BENEFITS OF AGREEMENT.** Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

SECTION 5.07 **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties hereto relative to the Paying Agent acting in such capacity as agent of the County.

EXHIBIT A

SCHEDULE OF COSTS OF ISSUANCE

Issuer's Expenses	Riverside County
Issuer's Counsel	Riverside County Counsel
Financial Advisor	Fieldman Rolapp & Associates
Bond Counsel	Orrick, Herrington & Sutcliffe LLP
Disclosure Counsel	Kutak Rock LLP
Rating Agency Fee	Fitch, Inc.
Rating Agency Fee	Standard & Poor's
O.S. Printing (estimate)	Elabra
COI Custodian	BNY Mellon
Contingencies	
Total	\$____,000.00

Gardner, Dale A.

From: Persi, Stephanie
Sent: Thursday, May 08, 2014 5:10 PM
To: Gardner, Dale A.
Subject: TRAns F11 & Resolution
Attachments: F11FY14_15TRANsBOS.dot; 757423553(2)_2014 TRAN Resolution Riverside County.doc; riverside county 2014-15 TRAns official statement.doc; 757423789(1)_Paying Agent Agreement - 2014 Riverside County TRAns.DOC; DOCSOC-#1663178-v2-Riverside_County_2014_TRAN_Purchase_Contract.docx

Dale,

Attached are the TRAns F11 and Resolution for your approval. I need this back Monday for the May 20th agenda. Please print and sign if you approve and let me know when ready for pick up. Thanks.

Regards,

Stephanie Persi

Stephanie Persi
Senior Management Analyst
Riverside County Executive Office
4080 Lemon St., 4th Floor Annex
Riverside, CA 92501-3679
(951) 955-1110
(951) 955-1105 Fax
spersi@rceo.org

Please note: The County Administrative Center is open Monday through Friday. Business hours for the County Executive Office are Monday through Friday, 8:00 a.m. to 5:00 p.m.

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This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification or filing under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED [____], 2014

NEW ISSUE—BOOK-ENTRY-ONLY

S&P: [SP-1+]

Fitch: [F1+]

See “RATINGS” herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County of Riverside, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest with respect to the Note is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. The amount treated as interest on the Note and excluded from gross income may depend upon the taxpayer's election under Internal Revenue Notice 94-84. In the further opinion of Bond Counsel, interest on the Note is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Note. See “TAX MATTERS” herein.

\$250,000,000*

COUNTY OF RIVERSIDE

2014-2015 TAX AND REVENUE ANTICIPATION NOTE

Dated: Date of Delivery

Due: As shown on the inside front cover

The County of Riverside 2014-2015 Tax and Revenue Anticipation Note (the “Note”) will be issued in fully registered book-entry form only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) and will be available to the beneficial owners thereof in the denomination of \$5,000 or any multiple thereof under the book-entry system maintained by DTC. Purchasers of the Note will not receive certificates representing their interests in the Note. Principal of and interest on the Note will be payable only at maturity at the principal office of The Bank of New York Mellon Trust Company, N.A., as paying agent (the “Paying Agent”), by wire transfer to DTC, which will in turn remit such principal and interest to its Participants, which in turn will remit such principal and interest to the Indirect Participants or to the Beneficial Owners of the Note, as more fully described herein.

The Note, in accordance with California law, is a general obligation of the County of Riverside (the “County”), and is payable from taxes, income, revenues, cash receipts and other moneys of the County attributable to the County's 2014-15 Fiscal Year commencing July 1, 2014 which are legally available for payment thereof. The Note shall constitute a first lien and charge on such revenues and shall be payable from the moneys received by the County from such pledged revenues. To the extent not so paid, the Note shall be paid from any other taxes, income, revenue, cash receipts and other moneys of the County lawfully available therefor. The Note Resolution requires the County to set aside and deposit in a special fund (the “Payment Account”) to be established by the Paying Agent certain amounts from such pledged revenues received by the County in those months described herein so that the amount on deposit in the Payment Account on such dates as described herein, taking into consideration anticipated investment earnings thereon to be received by the maturity date, will be, following all such deposits, equal to all of the principal of and interest due on the Note, as more fully described herein.

THE NOTE IS NOT SUBJECT TO REDEMPTION PRIOR TO MATURITY.

THE NOTE IS A LIMITED OBLIGATION OF THE COUNTY, PAYABLE SOLELY FROM CERTAIN FUNDS PLEDGED UNDER THE NOTE RESOLUTION. THE COUNTY IS NOT AUTHORIZED TO LEVY OR COLLECT ANY TAX FOR REPAYMENT OF THE NOTE.

The cover page contains information for quick reference only, and is not a summary of this issue. Potential purchasers must read the entire Official Statement in order to obtain information essential to making an informed investment decision.

The Note is offered when, as and if issued and delivered, subject to the approval as to its legality of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain additional legal matters will be passed upon for the County by the County Counsel, and for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. It is anticipated that the Note, in definitive form, will be available for delivery through the facilities of DTC on or about July 1, 2014.

J.P. MORGAN SECURITIES LLC WELLS FARGO SECURITIES

Dated: June __, 2014

* Preliminary, subject to change.

MATURITY SCHEDULE*

\$250,000,000*

COUNTY OF RIVERSIDE

2014-2015 TAX AND REVENUE ANTICIPATION NOTE

<u>CUSIP®</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>
----------------------	-----------------------------	------------------------------------	----------------------	---------------------	---------------------

* Preliminary, subject to change.

® Copyright 2014, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, managed on behalf of the American Bankers Association by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of the registered owners of the Note. Neither the County nor the Underwriters are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on Note or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2014 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Note.

No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representations other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Note by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Note. Statements contained in this Official Statement which involve estimates, projections or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. See "INTRODUCTION—Forward-Looking Statements."

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is submitted in connection with the sale of the Note referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Official Statement and the information contained herein is in a form deemed final by the County for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). However, the information herein is subject to revision, completion or amendment in a final Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTE OFFERED HEREIN AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE NOTE TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXCEPTIONS CONTAINED IN SUCH ACT. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY, NOR ANY AGENCY OR DEPARTMENT THEREOF, HAS PASSED UPON THE MERITS OF THE NOTE OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. THE NOTE HAS NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE COUNTY HAS ENTERED INTO AN UNDERTAKING FOR THE BENEFIT OF THE HOLDERS OF THE NOTE TO PROVIDE CERTAIN QUARTERLY FINANCIAL INFORMATION AND OPERATING DATA TO CERTAIN INFORMATION REPOSITORIES AND TO PROVIDE NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD AND TO CERTAIN INFORMATION REPOSITORIES OF CERTAIN EVENTS, PURSUANT TO THE REQUIREMENTS OF SECTION (b)(5)(i) OF RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

COUNTY OF RIVERSIDE

County Executive Office
4th Floor
4080 Lemon Street
Riverside, California 92501

Board of Supervisors

Jeff Stone, Third District, Chairman
Marion Ashley, Fifth District, Vice Chairman
Kevin Jeffries, First District,
John F. Tavaglione, Second District
John Benoit, Fourth District

County Officials

Jay Orr, County Executive Officer
Don Kent, Treasurer Tax Collector
Paul Angulo, Auditor Controller
Larry Ward, Assessor-County Clerk-Recorder
Pamela J. Walls, County Counsel
Ed Corser, Finance Director

SPECIAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Disclosure Counsel

Kutak Rock LLP
Los Angeles, California

Financial Advisor

Fieldman, Rolapp & Associates
Irvine, California

Paying Agent

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

TABLE OF CONTENTS

INTRODUCTION	1
General	1
Forward-Looking Statements	2
THE NOTE	2
Authority for Issuance	2
Purpose of Issue	2
Description of the Note	2
Security for the Note	2
Available Sources of Repayment	3
Estimated and Projected General Fund Cash Flows	4
Additional Note Obligations	13
Sources and Uses of Funds	14
Book-Entry-Only System	14
THE COUNTY	15
CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS	15
STATE OF CALIFORNIA BUDGET INFORMATION	20
TAX MATTERS	23
LITIGATION	25
LEGALITY FOR INVESTMENT	26
UNDERWRITING	26
CONTINUING DISCLOSURE	26
RATINGS	27
CERTAIN LEGAL MATTERS	27
FINANCIAL ADVISOR	27
FINANCIAL STATEMENTS	27
MISCELLANEOUS	28
APPENDIX A	INFORMATION REGARDING THE COUNTY OF RIVERSIDE
APPENDIX B	THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013
APPENDIX C	PROPOSED FORM OF OPINION OF BOND COUNSEL
APPENDIX D	PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX E	BOOK-ENTRY-ONLY SYSTEM
APPENDIX F	FORM OF RESOLUTION

OFFICIAL STATEMENT

\$250,000,000*

COUNTY OF RIVERSIDE 2014-2015 TAX AND REVENUE ANTICIPATION NOTE

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Note being offered, and a brief description of this Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions thereof. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution. See APPENDIX F—“FORM OF RESOLUTION” attached hereto.

General

This Official Statement, including the Appendices hereto, has been prepared under the direction of the County of Riverside (the “County”), in order to furnish information with respect to its sale of certain tax and revenue anticipation note designated, “County of Riverside, 2014-2015 TAX AND REVENUE ANTICIPATION NOTE” (the “Note”) in the aggregate principal amount of \$250,000,000*. The Note was authorized pursuant to the resolution of the County adopted on [May 20, 2014] (the “Resolution”), and will be issued in full conformity with the constitution and laws of the State of California (the “State”), including Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the “Act”). The Note is a general obligation of the County payable solely from taxes, income, revenue, cash receipts and other moneys of the County attributable to its fiscal year commencing on July 1, 2014 (the “2014-15 Fiscal Year” or “Fiscal Year 2014-15”) and legally available for payment thereof. Proceeds from the sale of the Note will be used for current General Fund expenditures, including current expenses and capital expenditures and to prepay the County’s current year pension contributions. The California Government Code (the “Government Code”) provides that the County may issue the Note only if the principal of and interest on the Note will not exceed 85% of the estimated moneys legally available for the payment of the Note and the interest thereon.

The Note and interest thereon are secured by a pledge of certain percentages of the County’s unrestricted revenues received in the months and in the amounts described under the caption “THE NOTE—Security for the Note” below.

If the full amount of the revenues pledged in a particular month to the repayment of the Note has not been received by the County, then the amount of any deficiency shall be satisfied and made up from additional moneys of the County received and lawfully available for payment of the Note and interest thereon.

* Preliminary, subject to change.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “projection,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material.

THE NOTE

Authority for Issuance

The Note is issued under the authority of the cited provisions of the Government Code and pursuant to the Resolution (see “INTRODUCTION” above).

Purpose of Issue

Issuance of the Note will provide moneys to meet the County’s 2014-15 Fiscal Year General Fund expenditures, including current expenses, capital expenditures and prepayment of pension plan contributions, and the discharge of other obligations or indebtedness of the County.

Description of the Note

The Note will be issued in the aggregate principal amount of \$250,000,000* and will be issued in denominations of \$5,000 or integral multiples thereof. The Note shall bear interest at the rate and will mature on the dates set forth on the inside cover page hereof. The Note is payable at maturity and interest thereon will be computed on a 30-day month/360-day year basis. The Note is to be delivered as a fully registered Note, without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Note. Purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof.

Security for the Note

The Note and the interest thereon are payable from taxes, income, revenue, cash receipts and other moneys of the County attributable to the 2014-15 Fiscal Year and legally available for payment thereof, and are secured by a pledge of certain of said moneys, excluding amounts heretofore pledged by the County to the payment of its Teeter Plan obligations issued pursuant to Resolution No. 97-203, as such resolution may be amended and supplemented from time to time (the “Pledged Revenues”). As security for the payment of the Note including the interest thereon, the County has covenanted pursuant to the Resolution to set aside: (a) an amount equal to 60% of the principal amount of and interest on the Note at maturity from unrestricted revenues received by the County on January 31, 2015; and (b) an amount equal to 40% of the principal amount of and interest on the Note at maturity from unrestricted revenues received by the County on May 31, 2015. Certain deposits may take into consideration anticipated investment earnings on amounts deposited in Permitted Investments through the Maturity Date. See APPENDIX F—“FORM OF RESOLUTION” attached hereto. As of the date hereof, the

* Preliminary, subject to change.

County has met all of its prior obligations to set aside amounts for payments of tax and revenue anticipation notes, and expects to timely set aside funds on May 31, 2014 to meet the remainder of its current obligations with respect thereto.

The Pledged Revenues shall be deposited by the County and held by the Paying Agent, in a special account (the "Payment Account") and applied as directed under the Resolution. Any money deposited by the Paying Agent in the Payment Account shall be for the benefit of the holders of the Note and, until the Note and all interest thereon are paid or until provision has been made for the payment of the principal of and interest on the Note at maturity, the moneys in the Payment Account shall be applied solely for the purpose of paying the principal of and interest the Note at its respective maturity, although such amounts shall be invested by the County in Permitted Investments. In the event investment losses cause amounts on deposit in the Payment Account to be insufficient to pay principal and interest on the Note at maturity, the County is required to use any available Unrestricted Revenues (as defined below) from Fiscal Year 2014-15 for the payment of principal and interest on the Note, but there is no guarantee that the County will have sufficient Unrestricted Revenues to pay the principal of and interest on the Note as the same becomes due. Moneys in the Payment Account may not be withdrawn to pay operating expenses.

The Resolution requires that the Pledged Revenues be deposited and held in the Payment Account until maturity, at which time the moneys in such fund will be used to repay the Note. If during the foregoing period there are insufficient sources of Pledged Revenues to permit deposit of the full amount of Pledged Revenues, then the amount of any deficiency shall be satisfied from any Unrestricted Revenues lawfully available for the repayment of the Note. The County is not authorized to levy or collect any taxes for the repayment of the Note.

Available Sources of Repayment

The Note, in accordance with the Act, is a general obligation of the County but is payable only out of Unrestricted Revenues, which include the taxes, income, revenue, cash receipts and other moneys of the County which are accrued, received or held by the County for the General Fund of the County and are provided for or attributable to the 2014-15 Fiscal Year and which are generally available for the payment of current expenses and other obligations of the County ("Unrestricted Revenues"). The Constitution of the State substantially limits the County's ability to levy ad valorem taxes (see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" herein). The County may, under the Act, issue the Note only if the principal of, and interest on, the Note plus interest thereof will not exceed 85% of the estimated amounts of the County's uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys to be received or accrued by the County for the general fund of the County and provided for or attributable to the Repayment Fiscal Year, all of which will be legally available to pay principal of and interest on the Note. The County has reserved the right to issue additional notes during Fiscal Year 2014-15 having a parity or subordinate lien on the Pledged Revenues, so long as the principal of and interest on the Note and such additional notes will not exceed 85% of the estimated moneys legally available for the payment of the Note and the interest thereon. See "Additional Note Obligations" below and APPENDIX F—"FORM OF RESOLUTION" attached hereto. Further detail as to the estimated Unrestricted Revenues available for repayment can be found in Table I, "County of Riverside Fiscal Year 2014-15 Projected Unrestricted Revenues Available for Note Repayment (in Thousands)", Table II "County of Riverside Fiscal Year 2012-13 Actual General Fund Cash Flow (in Thousands)", Table III, "County of Riverside Fiscal Year 2013-14 Actual/Estimated General Fund Cash Flow (in Thousands)," Table IV, "County of Riverside Fiscal Year 2014-15 Projected General Fund Cash Flow (in Thousands)," and Table VII "County of Riverside Alternative and Other Restricted Cash Resources, Actual Projected (in Thousands)."

The table below sets forth the source and amount of estimated Unrestricted Revenues available for repayment of the Note.

TABLE I
County of Riverside
Fiscal Year 2014-15 Projected Unrestricted Revenues
Available for Note Repayment
(in Thousands)

<u>Revenue Source</u>	<u>Fiscal Year 2014-15 Amount</u>
Property Taxes	\$196,770
Sales and Use Taxes	33,500
Other Taxes	16,714
Licenses and Permits	16,692
Fines, Forfeitures and Penalties	59,752
Use of Money and Property	8,546
State Aid	1,138,910
Federal Aid	510,000
Other Government Aid	85,199
Charges for Current Services	480,865
Miscellaneous Revenue	22,667
Other Financing Sources	7,116
Repayment of Advances to Other Funds	48,000
Reimbursement from Depts (for CalPERS)	86,892
Interfund transfer	<u>10,000</u>
Total	2,722,438

Estimated and Projected General Fund Cash Flows

Set forth below in Table II is a detailed summary of the County's actual Fiscal Year 2012-13 General Fund cash flows. Set forth below in Table III is a detailed summary of the County's actual and projected Fiscal Year 2013-14 General Fund cash flows. Set forth below in Table IV is a detailed summary of the County's projected Fiscal Year 2014-15 General Fund cash flow projections. Table V provides a comparison between the Fiscal Year 2013-14 original projections of General Fund cash flows and the Fiscal Year 2013-14 actual/projected General Fund cash flows. Table VI provides a comparison between the Fiscal Year 2013-14 actual/projected General Fund cash flows and the Fiscal Year 2014-15 projected General Fund cash flows.

The projected Fiscal Year 2014-15 cash flows, as prepared by the County Auditor's Office, reflect the best currently available estimates and judgments of the County Auditor's Office as to the County's revenues and expenditures and the expected financial condition of the County for Fiscal Year 2014-15. The presented projected cash flows assume that all of the County's cash flow requirements are externally funded through the issuance of the Note, but, based on market conditions, the County may determine to borrow internally for a portion of its cash flow needs.

Neither the County's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the projected Fiscal Year 2014-15 cash flows contained herein, nor have they expressed any opinion or any other form of assurance on such

information or its achievability, and such parties assume no responsibility for, and disclaim any association with, the projected Fiscal Year 2014-15 cash flows.

The assumptions and estimates underlying the projected cash flows are uncertain and, though considered reasonable by the management of the County as of the date hereof, are subject to a wide variety of significant business, economic and political risks and uncertainties that could cause actual results to differ materially from those contained in the projected cash flows. Accordingly, there can be no assurance that the projected results are indicative of the future performance of the County or that actual results will not be materially higher or lower than those contained in the projected cash flows. Inclusion of the projected cash flows in this Official Statement should not be regarded as a representation by any person that the results contained in the projected cash flows will be achieved. Basic assumptions underlying these projections include, but are not limited to, revenues and expenses as set forth in the County's recommended budget, impacts of recommended State budget, and no additional extraordinary support to the Riverside County Regional Medical Center from the general funds or special funds.

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TABLE II
County of Riverside Fiscal Year 2012-13
Actual General Fund Cash Flow (in Thousands)

		COUNTY OF RIVERSIDE												TOTALS
		GENERAL FUND												
		ACTUAL MONTHLY CASH FLOW SUMMARY FISCAL YEAR 2012 - 2013 - IN THOUSANDS (000)												
PERIOD 1 Jul-12	PERIOD 2 Aug-12	PERIOD 3 Sep-12	PERIOD 4 Oct-12	PERIOD 5 Nov-12	PERIOD 6 Dec-12	PERIOD 7 Jan-13	PERIOD 8 Feb-13	PERIOD 9 Mar-13	PERIOD 10 Apr-13	PERIOD 11 May-13	PERIOD 12 Jun-13			
Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals			
Beginning General Fund Cash Balance	151,845	(60,069)	(102,294)	(145,869)	(176,610)	(205,305)	(162,366)	(7,986)	(5,955)	(56,528)	(2,920)	84,014	151,845	
Receipts														
Property Taxes	73	-	7,502	6,427	350	49,490	39,010	0	(0)	46,495	26,222	5,052	180,621	
Sales and Use Taxes	1,163	1,475	2,165	1,089	1,452	2,245	3,738	1,650	4,178	1,104	4,649	4,302	29,210	
Other Taxes	977	1,114	607	1,605	6,616	584	7,627	839	1,798	7,136	2,158	6,104	37,165	
Licenses & Permits	1,440	594	712	887	1,339	514	834	1,989	850	4,412	1,471	208	15,250	
Fines, Forfeitures & Penalties	2,243	2,363	2,221	2,475	2,256	1,875	2,220	2,936	2,271	13,253	2,626	28,078	64,817	
Use of Money and Property	251	872	266	487	227	668	547	722	417	647	715	707	6,526	
State Aid	39,275	40,189	53,677	81,918	60,099	77,475	161,059	85,336	69,993	62,107	181,624	96,789	1,009,541	
Federal Aid	28,041	39,217	24,455	58,942	38,862	36,239	36,204	29,760	34,054	33,637	39,150	55,739	454,300	
Other Governmental Aid	732	-	0	(0)	-	51	39,322	0	(0)	-	-	40,954	81,059	
Charges for Current Services	19,860	29,836	26,239	30,517	22,894	38,448	58,055	26,725	37,905	32,908	33,101	55,356	411,844	
Miscellaneous Revenue	39	417	272	1,529	812	2,103	811	1,265	661	11,492	2,056	11,426	32,883	
Other Financing Sources	7	5,036	3	124	840	50	885	10,855	-	2,314	-	3,046	23,160	
Repayment of Advances to Other Funds	-	-	9,000	3,000	-	4,244	-	-	5,200	-	-	-	4,953	
Reimbursement from Departments for CalPERS Interfund Transfers	6,205	5,969	6,282	9,574	6,797	6,314	7,189	6,449	6,886	6,674	9,851	7,996	86,186	
Total Receipts	100,306	127,082	133,401	198,574	142,544	220,300	357,501	168,526	164,213	240,400	305,937	320,710	2,479,494	
Disbursements														
Salaries & Benefits	97,269	94,499	93,587	136,365	95,495	96,441	98,398	96,593	93,371	94,431	137,912	94,328	1,228,689	
Services & Supplies	53,615	24,101	24,815	27,339	25,172	29,957	57,887	29,093	59,891	26,174	29,193	106,085	493,322	
Other Charges	39,038	48,969	58,028	48,560	41,531	50,383	44,349	39,616	61,048	53,788	49,720	61,188	596,218	
Fixed Assets & Capital Outlay	380	395	121	466	558	402	257	305	392	501	218	1,624	5,619	
Other Financing Uses	-	1,343	-	16,785	229	178	2,230	888	84	11,898	1,960	11,079	46,674	
Advances to Other Funds	38,454	-	425	-	8,054	-	-	-	-	-	-	-	46,933	
CalPERS Prepayment Interfund Transfers	83,464	-	-	-	-	-	-	-	-	-	-	-	83,464	
Total Disbursements	312,220	169,307	176,976	229,515	171,039	177,361	203,121	166,495	214,786	186,792	219,003	274,304	2,500,919	
Ending General Fund Cash Balance	(60,069)	(102,294)	(145,869)	(176,810)	(205,305)	(162,366)	(7,986)	(5,955)	(56,528)	(2,920)	84,014	130,420	130,420	
TRANS Borrowing														
Proceeds of Notes	250,000	253,430	253,430	253,430	253,430	253,430	253,430	126,274	126,274	126,274	62,696	(882)	-	
Principal Payment on Note	-	-	-	-	-	-	(125,000)	-	-	(62,500)	-	-	(250,000)	
Premium	3,891	-	-	-	-	-	-	-	-	-	-	-	3,891	
Interest Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Expense / Cost of Issuance	(461)	-	-	-	-	-	(2,156)	-	-	(1,078)	(882)	(882)	(5,655)	
Total TRANS Borrowing	253,430	253,430	253,430	253,430	253,430	253,430	126,274	126,274	126,274	62,696	(882)	(1,764)	(1,764)	
Ending Balance WITH TRANS Borrowing	193,361	151,136	107,561	76,620	48,125	91,064	118,288	120,319	69,746	59,776	83,132	128,656	128,656	

Source: County Auditor-Controller

TABLE III
County of Riverside Fiscal Year 2013-14
Actual/Estimated General Fund Cash Flow (in Thousands)

	COUNTY OF RIVERSIDE												TOTALS
	GENERAL FUND												
	ACTUAL / PROJECTED MONTHLY CASH FLOW SUMMARY FISCAL YEAR 2013 - 2014 - IN THOUSANDS (000)												
	PERIOD 1 Jul-13 Actuals	PERIOD 2 Aug-13 Actuals	PERIOD 3 Sep-13 Actuals	PERIOD 4 Oct-13 Actuals	PERIOD 5 Nov-13 Actuals	PERIOD 6 Dec-13 Actuals	PERIOD 7 Jan-14 Actuals	PERIOD 8 Feb-14 Actuals	PERIOD 9 Mar-14 Actuals	PERIOD 10 Apr-14 Projected	PERIOD 11 May-14 Projected	PERIOD 12 Jun-14 Projected	
Beginning General Fund Cash Balance	128,656*	(51,332)	(99,465)	(128,510)	(177,971)	(172,885)	(107,693)	13,164	(10,495)	(68,418)	(60,500)	42,748	128,656
Receipts													
Property Taxes	129	(129)	7,777	5,290	582	51,628	42,561	(73)	1,146	42,208	25,000	11,000	187,119
Sales and Use Taxes	1,362	1,817	3,536	1,657	2,210	2,486	8,311	2,804	444	1,471	5,413	1,830	33,341
Other Taxes	1,097	1,720	4,815	1,160	6,690	3,371	1,507	1,001	889	1,447	1,148	1,148	22,993
Licenses & Permits	889	1,729	838	630	1,401	729	768	1,096	1,175	4,719	1,273	725	15,972
Fines, Forfeitures & Penalties	1,999	2,116	1,976	2,056	2,276	1,732	2,934	1,949	2,228	10,000	4,000	29,500	62,766
Use of Money and Property	347	931	303	576	854	854	500	758	328	410	715	918	15,188
State Aid	45,103	43,885	52,736	83,112	116,852	61,735	150,756	87,335	96,326	66,067	181,032	100,722	1,085,661
Federal Aid	27,750	29,896	37,651	55,783	22,259	29,289	43,131	36,478	26,449	39,028	48,859	59,352	455,925
Other Governmental Aid	-	-	-	-	41,469	-	-	-	-	-	-	39,800	81,269
Charges for Current Services	30,417	35,035	27,180	26,322	25,906	41,059	39,299	37,534	38,928	32,663	33,249	69,862	437,454
Miscellaneous Revenue	1,762	54	401	2,274	1,145	2,055	651	1,680	118	10,155	2,748	2,008	25,051
Other Financing Sources	-	7,265	2,728	15	1,036	741	6	8,002	-	-	-	11,028	30,824
Repayment of Advances to Other Funds	-	-	-	13,000	2,000	2,000	3,000	-	5,600	30,000	2,500	5,652	63,752
Reimbursement from Departments for CalPERS	6,560	6,880	6,812	10,647	6,385	6,806	7,053	6,883	7,020	10,026	6,684	6,684	88,440
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	117,415	131,199	143,753	202,522	189,290	253,954	300,477	185,447	180,651	248,197	312,621	340,229	2,605,755
Disbursements													
Salaries & Benefits	97,606	100,661	100,306	144,499	100,597	103,405	103,992	102,013	104,231	145,848	102,509	112,509	1,318,176
Services & Supplies	22,627	27,374	27,242	28,559	28,828	30,056	31,339	64,404	67,183	26,155	47,540	60,656	461,963
Other Charges	40,626	49,001	45,104	51,098	51,756	52,870	44,049	41,771	67,138	54,602	50,008	53,277	601,300
Fixed Assets & Capital Outlay	326	893	146	587	161	936	213	324	20	237	316	4,000	8,159
Other Financing Uses	1,049	3	-	15,919	362	1,495	27	594	2	13,437	9,000	3,000	44,888
Advances to Other Funds	48,531	1,400	-	11,321	2,500	-	-	-	-	-	-	-	63,752
CalPERS Prepayment	86,638	-	-	-	-	-	-	-	-	-	-	-	86,638
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	297,403	179,332	172,798	251,983	184,204	188,762	179,620	209,106	238,574	240,279	209,373	233,442	2,584,876
Ending General Fund Cash Balance	(51,332)	(99,465)	(128,510)	(177,971)	(172,885)	(107,693)	13,164	(10,495)	(68,418)	(60,500)	42,748	149,535	149,535
TRANS Borrowing	0	253,581	253,581	253,581	253,581	253,581	253,581	126,397	126,397	126,397	62,805	(787)	-
Proceeds of Notes	249,400	-	-	-	-	-	(125,000)	-	-	(62,500)	(62,500)	-	249,400
Principal Payment on Note	-	-	-	-	-	-	-	-	-	-	-	-	(250,000)
Premium	3,881	-	-	-	-	-	-	-	-	-	-	-	3,881
Interest Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense / Cost of Issuance	300	-	-	-	-	-	(2,184)	-	-	(1,092)	(1,092)	-	(4,068)
Total TRANS Borrowing	253,581	253,581	253,581	253,581	253,581	253,581	126,397	126,397	126,397	62,805	(787)	(787)	(787)
Ending Balance WITH TRANS Borrowing	202,249	154,116	125,071	75,610	80,696	145,888	139,561	115,902	57,979	2,305	41,961	148,748	148,748

Source: County Auditor-Controller

TABLE IV
County of Riverside Fiscal Year 2014-15
Projected General Fund Cash Flow (in Thousands)

		COUNTY OF RIVERSIDE													
		GENERAL FUND													
		PROJECTED MONTHLY CASH FLOW SUMMARY													
		FISCAL YEAR 2014 - 2015 - IN THOUSANDS (000)													
		PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9	PERIOD 10	PERIOD 11	PERIOD 12		
		Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	TOTALS	
		Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	TOTALS	
Beginning General Fund Cash Balance	148,748	(58,082)	(58,082)	(116,317)	(156,241)	(231,831)	(237,846)	(208,068)	(20,950)	(34,810)	(77,291)	(96,352)	3,143	148,748	
Receipts															
Property Taxes	-	1,985	1,985	3,085	1,526	450	54,616	40,974	-	300	36,196	41,119	14,745	196,770	
Sales and Use Taxes	978	1,387	1,069	1,274	2,145	2,034	2,685	6,331	2,171	3,668	2,769	2,713	3,010	33,500	
Other Taxes	907	1,189	846	889	1,461	1,461	1,287	1,567	1,060	1,126	1,402	1,538	1,881	16,714	
Licenses & Permits	1,691	2,372	2,282	2,417	2,264	2,264	1,960	2,496	2,561	11,251	2,741	2,909	24,808	59,752	
Fines, Forfeitures & Penalties	344	564	425	574	285	285	552	2,422	640	493	562	385	1,300	8,546	
Use of Money and Property	42,025	46,449	64,038	81,546	86,868	86,868	81,428	165,988	104,753	70,722	62,350	186,252	146,491	1,138,910	
State Aid	27,630	40,355	34,064	44,742	49,643	49,643	31,348	47,003	43,312	40,921	44,441	49,143	58,213	510,815	
Federal Aid	-	-	-	-	-	-	-	43,374	-	-	-	-	41,825	85,199	
Other Governmental Aid	12,571	22,117	34,332	31,372	28,525	44,390	44,390	54,504	41,551	46,755	37,801	40,359	86,588	480,865	
Charges for Current Services	171	1,093	309	746	617	2,383	2,383	936	(41)	778	11,026	1,820	2,829	22,667	
Miscellaneous Revenue	-	-	-	14	1,303	-	-	-	-	192	10,000	11	5,596	7,116	
Other Financing Sources	6,684	6,684	6,684	10,026	6,684	6,684	6,684	6,684	6,684	6,684	10,026	6,684	6,684	48,000	
Repayment of Advances to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	28,000	
Reimbursement from Departments for CalPERS	-	-	-	-	-	-	-	-	-	-	-	-	-	10,026	
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	
Total Receipts	94,524	124,195	124,195	155,504	175,126	182,279	227,966	373,053	204,094	193,760	234,824	334,383	422,730	2,722,438	
Disbursements															
Salaries & Benefits	106,344	106,344	106,344	159,516	106,344	106,344	106,344	106,344	106,344	106,344	159,516	106,344	106,344	1,382,472	
Services & Supplies	21,739	27,058	29,856	35,589	32,703	32,703	36,330	32,245	65,685	70,555	31,376	71,514	90,701	545,351	
Other Charges	38,248	48,814	58,724	47,081	48,432	48,432	54,103	46,309	44,237	58,528	54,958	50,119	62,217	611,770	
Fixed Assets & Capital Outlay	151	57	193	398	171	171	217	454	209	301	546	511	3,988	7,196	
Other Financing Uses	233	157	312	8,131	644	644	1,195	582	1,479	514	7,488	6,400	17,010	44,145	
Advances to Other Funds	48,000	-	-	-	-	-	-	-	-	-	-	-	-	48,000	
CalPERS Prepayment	86,638	-	-	-	-	-	-	-	-	-	-	-	-	86,638	
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	
Total Disbursements	301,353	182,430	195,429	250,715	188,294	188,294	198,189	185,934	217,954	236,242	253,884	234,888	290,260	2,735,572	
Ending General Fund Cash Balance	(58,082)	(116,317)	(156,241)	(231,831)	(237,846)	(208,068)	(208,068)	(20,950)	(34,810)	(77,291)	(96,352)	3,143	135,613	135,613	
TRANS Borrowing															
Proceeds of Notes	250,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
Principal Payment on Note	-	254,580	254,580	254,580	254,580	254,580	254,580	254,580	101,588	101,588	101,588	101,588	(406)	250,000	
Premium	4,580	-	-	-	-	-	-	(150,000)	-	-	-	-	(100,000)	(250,000)	
Interest Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	4,580	
Interest Expense / Cost of Issuance	-	-	-	-	-	-	-	(2,992)	-	-	-	-	(1,994)	(4,986)	
Total TRANS Borrowing	254,580	254,580	254,580	254,580	254,580	254,580	254,580	101,588	101,588	101,588	101,588	101,588	(406)	(4,986)	
Ending Balance WITH TRANS Borrowing	196,498	138,263	98,339	22,749	16,734	80,638	66,778	24,297	2,737	135,207	5,236	2,737	135,207	135,207	

Source: County Auditor-Controller

TABLE V
County of Riverside Fiscal Year 2013-14
Comparison between Original Projected General Fund Cash Flows
and Actual/Projected General Fund Cash Flows (in Thousands)

Receipts				
Property Taxes	\$190,988	\$187,119	\$(3,869)	-2.0
Sales and Use Taxes	28,169	33,341	5,172	18.4
Other Taxes	15,408	22,992	7,584	49.2
Licenses & Permits	17,608	15,972	(1,636)	-9.3
Fines, Forfeitures & Penalties	76,592	62,766	(13,826)	-18.1 (a)
Rev from Use of Money and Property	6,269	15,186	8,917	142.2 (b)
State Aid	982,300	1,085,661	103,361	10.5 (c)
Federal Aid	475,137	455,925	(19,212)	-4.0
Other Governmental Aid	78,300	81,269	2,969	3.8
Charges for Current Services	468,507	437,452	(31,055)	-6.6
Miscellaneous Revenue	27,340	25,049	(2,291)	-8.4
Other Financing Sources	29,065	30,824	1,759	6.1
Repayment of Advances to Other Funds	46,000	63,752	17,752	38.6 (d)
Reimbursement from Depts (CalPERS)	86,892	88,439	1,548	1.8
Total Receipts	\$2,528,576	\$2,605,748	\$77,173	3.1%
Disbursements				
Salaries and Benefits	\$1,264,014	\$1,318,177	\$54,163	4.3
Services and Supplies	481,951	461,961	(19,990)	-4.1
Other Charges	587,056	601,300	14,244	2.4
Fixed Assets and Capital Outlay	7,828	8,160	332	4.2
Other Financing Uses	45,769	44,886	(883)	-1.9
Advances to Other Funds	46,000	63,752	17,752	38.6 (d)
CalPERS Prepayment	86,638	86,638	0	0.0
Total Disbursements	\$2,519,256	\$2,584,875	\$65,619	2.6%

- (a) The decrease is related to the decline in Teeter obligations and in the property tax delinquent rate. In November 2013, the County's Board of Supervisors approved a Waste Management Landfill Lease Agreement which is expected to generate general fund revenue for 25 years. The increase of \$8.9 million is largely attributable to revenue from fiscal year 2009-10 through fiscal year 2013-14.
- (b) 14.
- (c) Due to increase in State funded programs for public social services and mental health. Advances to County of Riverside Asset Leasing Corporation was \$11 million higher due to pass-through payments being received after debt service payments were due. Advances to pension obligation bonds increased by \$2 million since fiscal year 2011-12. Also, the Board of Supervisors approved a \$2.5 million loan to the information technology department and a \$1.5 million loan to special districts.
- (d)

TABLE VI
County of Riverside
Comparison between Fiscal Year 2013-14 Actual/Projected General Fund Cash Flows
and Fiscal Year 2014-15 Projected General Fund Cash Flows (in Thousands)

Receipts				
Property Taxes	\$187,119	\$196,770	\$9,651	5.2
Sales and Use Taxes	33,341	33,500	159	0.5
Other Taxes	22,992	16,714	(6,278)	-27.3 (a)
Licenses & Permits	15,972	16,692	720	4.5
Fines, Forfeitures & Penalties	62,766	59,752	(3,014)	-4.8
Rev from Use of Money and Property	15,186	8,546	(6,641)	-43.7
State Aid	1,085,661	1,138,910	53,249	4.0
Federal Aid	455,925	510,815	54,890	12.0 (b)
Other Governmental Aid	81,269	85,199	3,930	4.8
Charges for Current Services	437,452	480,865	43,413	9.9 (c)
Miscellaneous Revenue	25,049	22,667	(2,383)	-9.5
Other Financing Sources	30,824	7,116	(23,708)	-76.9 (d)
Repayment of Advances to Other Funds	63,752	48,000	(15,752)	-24.7 (e)
Reimbursement from Depts (CalPERS)	88,439	86,892	(1,548)	-1.7
Total Receipts	\$2,605,748	\$2,712,437	\$106,689	4.1%
Disbursements				
Salaries and Benefits	\$1,318,177	\$1,382,472	\$64,295	4.9
Services and Supplies	461,961	545,351	83,390	18.1 (f)
Other Charges	601,300	611,770	10,469	1.7
Fixed Assets and Capital Outlay	8,160	7,196	(964)	-11.8
Other Financing Uses	44,886	44,145	(741)	-1.7
Advances to Other Funds	63,752	48,000	(15,752)	-24.7 (e)
CalPERS Prepayment	86,638	86,638	(0)	0.0
Total Disbursements	\$2,584,875	\$2,725,572	\$140,697	5.4%

- (a) The decrease is due to the completion of the distribution redevelopment agency assets.
- (b) Increase attributable to public assistance programs and costs related to SB163 Wraparound Program.
- (c) Increase due to rate amendment with contract cities for sheriff and fire protection services.
- (d) Operating transfer-in budgeted for Department of Public Social Services will not be transferred. Advances to County of Riverside Asset Leasing Corporation was \$11 million higher due to pass-through payments being received after debt service payments were due. Advances to pension obligation bonds increased by \$2 million since fiscal year 2011-12. Also, the Board of Supervisors approved a \$2.5 million
- (e) loan to the information technology department and a \$1.5 million loan to special districts.
- (f) [TBD]

Source: County Auditor-Controller

California Government Code Section 25252 authorizes the Board of Supervisors of the County to establish and abolish funds necessary for the proper transaction of the business of the County and further provides that the Board of Supervisors may authorize the County Auditor to perform this function. In addition, California Government Code Section 25252 authorizes the Board of Supervisors to make transfers from one fund to another as the public interest requires and further provides that the Board of Supervisors may by resolution authorize the County Auditor to make such transfers of money from one fund to another if the Board of Supervisors has authority over each such fund, as the public interest requires. Pursuant to Resolution 2010-205, adopted by the Board of Supervisors on August 10, 2010, the Board of Supervisors has authorized the County Auditor to make temporary transfers of money between those funds under the authority of the Board of Supervisors as the public interest may require.

Set forth in Table VII below are the actual and estimated alternative cash resources available to the County from the specified funds as of the dates set forth in such table. Pursuant to the authority granted in Resolution 2010-205, the County Auditor is authorized to transfer such moneys from one fund to another fund as the public interest may require, including transfers to the General Fund for the payment of the Note. There is no prescribed time period for the repayment of temporary transfers from one fund to another. The County Auditor has the authority to determine the timing of such repayments based on the needs of the respective funds.

The assumptions and estimates underlying the estimated alternative cash resources are uncertain and, though considered reasonable by the management of the County as of the date hereof, are subject to a wide variety of significant business, economic and political risks and uncertainties that could cause actual results to differ materially from those contained in the estimated alternative cash resources. Accordingly, there can be no assurance that the estimated results are indicative of the future performance of the County or that actual results will not be materially higher or lower than those contained in the estimated alternative cash resources. Inclusion of the estimated alternative cash resources in this Official Statement should not be regarded as a representation by any person that the results contained in the estimated alternative cash resources will be achieved.

TABLE VII
County of Riverside Alternative and Other Restricted Cash Resources
Actual/Projected (in Thousands)

<i>Special Revenue</i>	<i>Transportation</i>	\$145,644	\$156,013
<i>Special Revenue</i>	<i>Flood Control</i>	256,683	269,639
<i>Special Revenue</i>	<i>Community Services</i>	40,557	42,492
<i>Special Revenue</i>	<i>County Service Areas</i>	20,660	21,582
<i>Special Revenue</i>	<i>Other Special Revenue</i>	24,452	25,030
<i>Capital Project</i>	<i>Public Facilities</i>	346,092	360,584
<i>Capital Project</i>	<i>Crest</i>	13,522	14,729
<i>Capital Project</i>	<i>PSEC</i>	296	--
<i>Enterprise</i>	<i>County Service Areas</i>	108	100
<i>Enterprise</i>	<i>Flood Control</i>	2,549	2,702
<i>Enterprise</i>	<i>Regional Medical Center</i>	(21,637)	(82,001)
<i>Enterprise</i>	<i>Waste Management</i>	110,809	112,133
<i>Internal Service</i>	<i>Records Management and Archive</i>	1,330	1,449
<i>Internal Service</i>	<i>Fleet Service</i>	11,016	12,133
<i>Internal Service</i>	<i>Information Service</i>	6,116	10,339
<i>Internal Service</i>	<i>Printing Service</i>	2,879	3,066
<i>Internal Service</i>	<i>Supply Services</i>	3,840	3,849
<i>Internal Service</i>	<i>OASIS Project</i>	4,551	--
<i>Internal Service</i>	<i>Risk Management</i>	183,397	190,304
<i>Internal Service</i>	<i>Temporary Assistance Pool</i>	1,860	2,300
<i>Internal Service</i>	<i>Flood Control Equipment</i>	7,620	7,849
<i>Internal Service</i>	<i>EDA Facilities Management</i>	6,165	6,709

<i>Permanent fund</i>	<i>Perris Valley Cemetery</i>	\$526	\$576
<i>Special fund</i>	<i>Regional Park and Open Space</i>	10,050	10,410
<i>Special Revenue</i>	<i>Air Quality Improvement</i>	345	350
<i>Special Revenue</i>	<i>In-Home Support Services</i>	1,411	1,537
<i>Special Revenue</i>	<i>Perris Valley Cemetery</i>	509	545
<i>Capital Project</i>	<i>Flood Control</i>	8,398	8,772
<i>Capital Project</i>	<i>Regional Park and Open-Space</i>	151	151
<i>Enterprise</i>	<i>Housing</i>	29,113	33,011
<i>Trust and Agency</i>	<i>Private Purpose Trust</i>	226,773	230,112
<i>Debt Service</i>	<i>Pension Obligation</i>	6,014	6.164
<i>Other</i>	<i>Children and Families Commission</i>	43,522	47,632

Alternative Cash Resources	\$1,168,509	\$1,160,992
Other Restricted Cash	326,812	339,260
General Fund Unrestricted Cash	128,655	148,748

Projected Resources June 30, 2015:

\$1.616 billion

Source: County Auditor-Controller

The County projects that alternative and other restricted cash resources will total approximately \$1.615 billion as of June 30, 2015, the final maturity dates of the Note. The Board has pre-authorized draws on alternative cash resources, if necessary to pay debt service of the Note, without the requirement of further Board action.

Additional Note Obligations

Under the Resolution, the County has reserved the right to issue additional notes during Fiscal Year 2014-15 having a lien on the Pledged Revenues that is on parity or subordinate to the lien on the Pledged Revenues securing the Note, so long as the principal of and interest on the Note and such additional notes will not exceed 85% of the estimated moneys legally available for the payment of the Note and the interest thereon. A parity obligation ("Parity Note") may be issued provided that (i) the issuance of any such Parity Note shall not in and of itself reduce or impair the rating on the Note, (ii) the maturity date of any such Parity Note shall be later than the outstanding Note, and (iii) the Note and Parity Note shall have the same paying agent. In the event that the County issues a Parity Note, the County shall make appropriate deposits into the Payment Account with respect to such Parity Note, and in such event, the Payment Account shall also be held for the benefit of the holders of the Parity Note. The

County may incur indebtedness secured by a pledge of its Pledged Revenues subordinate to the pledge of Pledged Revenues with respect to the Note and may issue subordinate tax and revenue anticipation notes. See APPENDIX F— “FORM OF RESOLUTION” attached hereto. The County currently expects that, other than the Note, it will not issue any bonds, notes or warrants pursuant to the Act with respect to the 2014-15 Fiscal Year.

Sources and Uses of Funds

The following table presents the estimated sources and uses of funds in connection with the issuance of the Note.

Sources	
Principal Amount of Note	\$ _____
Original Issue Premium	_____
Total Sources	\$ _____
Uses	
Deposit to General Fund	\$ _____
Costs of Issuance ¹	_____
Total Uses	\$ _____

¹ Includes legal fees, underwriters’ discount, printing expenses and other costs of issuance.

Book-Entry-Only System

Introduction Unless otherwise noted, the information contained under the subcaption “— General” below has been provided by DTC. The County makes no representations as to the accuracy or completeness of such information. The beneficial owners of the Note should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER THE COUNTY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE NOTE, (C) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE OWNER OF THE NOTE; (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE NOTE; OR (E) ANY OTHER MATTER REGARDING DTC.

DTC will act as securities depository for the Note. The Note will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for each issue of the Note each in the aggregate principal amount of such issue, and will be deposited with DTC. Individual purchases of participation in the Note will be made in book-entry form only. Purchasers of the Note will not receive certificates representing their ownership interest in the Note purchased. Principal and interest payments represented by the Note are payable directly to DTC by the Paying Agent. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to its participants who are responsible for distributing such payments to the beneficial owners of the Note. See APPENDIX E—“BOOK-ENTRY ONLY SYSTEM” attached hereto.

THE COUNTY

The County was organized in 1893 from territory in San Bernardino and San Diego Counties and encompasses 7,177 square miles. The County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the south by San Diego and Imperial Counties and on the west by Orange and San Bernardino Counties. The County is the fourth largest county (by area) in the state and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 28 incorporated cities in the County. According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 2,279,967 as of January 1, 2014, reflecting a 1.1% increase over the prior year.

The County is a general law county divided into five supervisorial districts on the basis of registered voters and population. The County is governed by a five-member Board of Supervisors (the "Board"), elected by district, and serve staggered four-year terms. The Chair of the Board is elected by the Board members. The County administration includes appointed and elected officials, boards, commissions and committees which assist the Board of Supervisors.

The County provides a wide range of services to residents, including police and fire protection, medical and health services, education, library services and public assistance programs. Some municipal services are provided by the County on a contract basis to incorporated cities within its boundaries. These services are designed to allow cities to contract for municipal services such as police and fire protection without incurring the cost of creating County departments and facilities. Services are provided to the cities at cost by the County.

Three distinct geographical areas characterize the County: the western valley area, the higher elevations of the mountains and the desert areas. The western portion of the County, which includes the San Jacinto Mountains and the Cleveland National Forest, experiences the mild climate typical of Southern California. The eastern desert areas experience warmer and dryer weather conditions.

See APPENDIX A—"INFORMATION REGARDING THE COUNTY OF RIVERSIDE" for a more detailed description of the County.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIII A of the State Constitution

In 1978, California voters approved Proposition 13, adding Article XIII A to the California Constitution. Article XIII A was subsequently amended in 1986, as discussed below. Article XIII A limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the Fiscal Year 1975-76 tax bill under 'full cash' or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, and to provide that

there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster.

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to the County continues as part of its allocation in future years.

Article XIII B of the State Constitution

On November 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Propositions 98 and 111, approved by the California voters in 1988 and 1990, respectively, substantially modified Article XIII B. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living and population. The initial version of Article XIII B provided that the "base year" for establishing an appropriations limit was the 1978-79 Fiscal Year, which was then adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies. Proposition 111 revised the method for making annual adjustments to the appropriations limit by redefining changes in the cost of living and in population. It also required that beginning in Fiscal Year 1990-91, each appropriations limit must be recalculated using the actual 1986-87 appropriations limit and making the applicable annual adjustments as if the provisions of Proposition 111 had been in effect.

Appropriations subject to limitation of a local government under Article XIII B include generally any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity, exclusive of refunds of taxes. Proceeds of taxes include, but are not limited to, all tax revenues plus the proceeds to an entity of government from (1) regulatory licenses, user charges and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation), (2) the investment of tax revenues, and (3) certain subventions received from the State. Article XIII B permits any government entity to change the appropriations limit by a vote of the electors in conformity with statutory and constitutional voting effective for a maximum of four years.

As amended by Proposition 111, Article XIII B provides for testing of appropriations limits over consecutive two-year periods. If an entity's revenues in any two-year period exceed the amounts permitted to be spent over such period, the excess has to be returned by revising tax rates or fee schedules over the subsequent two years. As amended by Proposition 98, Article XIII B provides for the payment of a portion of any excess revenues to a fund established to assist in financing certain school needs.

The County's appropriations limit for the Fiscal Year 2012-13 was \$2,246,378,720 and the amount shown in its budget for that year as the appropriations subject to limitation was \$1,119,274,762. The County's appropriations limit for Fiscal Year 2013-14 is \$2,388,219,717 and the amount subject to the limitation is \$862,139,716.

Right To Vote on Taxes Initiative-Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIC and XIID to the California Constitution and contains a number of interrelated provisions affecting the ability of local agencies to levy and collect both existing and future taxes, assessments, fees and charges. Proposition 218 (Article XIIC) requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's General Fund, require a two-thirds vote.

Proposition 218 (Article XIID) also adds several provisions making it generally more difficult for local agencies to levy and maintain fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a "special benefit," as defined in Article XIID, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services where the service is available to the public at large in substantially the same manner as it is to property owners.

Proposition 218 (Article XIIC) also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of any county will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the County's General Fund. No such initiative is currently pending, or to the knowledge of the County, proposed.

The County is unaware of any assessments imposed by the County which, if challenged, would adversely affect County finances. Implementing legislation respecting Proposition 218 may be introduced in the State legislature from time-to-time that would supplement and add provisions to California statutory law. No assurance may be given as to the terms of such legislation or its potential impact on the County.

Proposition 62

Proposition 62, a statutory initiative that was adopted by the voters voting in the State at the November 4, 1986 general election, (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities be approved by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIII A of the California Constitution, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires a reduction of ad valorem property taxes allocable to the jurisdiction imposing a tax not in compliance with its provisions equal to one dollar for each dollar of revenue attributable to the invalid tax, for each year that the tax is collected.

Following its adoption by the voters, various provisions of Proposition 62 were declared unconstitutional at the appellate court level. For example, in *City of Woodlake v. Logan*, 230 Cal.App.3d 1058 (1991) (the “Woodlake Case”), the Court of Appeal held portions of Proposition 62 unconstitutional as a referendum on taxes prohibited by the California Constitution. In reliance on the Woodlake Case, numerous taxes were imposed or increased after the adoption of Proposition 62 without satisfying the voter approval requirements of Proposition 62. On September 28, 1995, the California Supreme Court, in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal. 4th 220 (1995) (the “Santa Clara Case”), upheld the constitutionality of the portion of Proposition 62 requiring a two-thirds vote in order for a local government or district to impose a special tax, and, by implication, upheld a parallel provision requiring a majority vote in order for a local government or district to impose any general tax. In deciding the Santa Clara Case on Proposition 62 grounds, the Court disapproved the decision in the Woodlake Case.

The decision in the Santa Clara Case did not address the question of whether it should be applied retroactively. On June 4, 2001, the California Supreme Court released *Howard Jarvis Taxpayers Association v. City of La Habra, et al.* 74 Cal.App.4th 707 (1999) (the “La Habra” case). In this decision, the court held that a public agency’s continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought. No such challenge against the County is currently pending, or to the knowledge of the County, proposed.

Proposition 1A

Proposition 1A, proposed by the Legislature in connection with the 2004-05 Budget Act, approved by the voters in November 2004 and generally effective in 2007-08 Fiscal Year, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the VLF rate then in effect, 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 1A may result in increased and more stable County revenues. The magnitude of such increase and stability is unknown and would depend on future actions by the State. However, Proposition 1A could also result in decreased resources being available for State programs. This reduction, in turn, could affect actions taken by the State to resolve budget difficulties. Such actions could include increasing State taxes, decreasing spending on other State programs or other action, some of which could be adverse to the finances of the County.

Proposition 22

Proposition 22, approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties and special districts to schools, temporarily increase a school and community college districts' share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increases pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. Proposition 22 prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives.

Proposition 25

According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. Historically, the budget required a two-thirds vote of each house of the Legislature for passage. However, on November 2, 2010, the voters approved Proposition 25, which amends the State Constitution to lower the vote requirement necessary for each house of the Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two-thirds to a simple majority (50% plus one) of each house of the Legislature. The lower vote requirement also would apply to trailer bills that appropriate funds and are identified by the Legislature "as related to the budget in the budget bill." The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two-thirds vote of the Legislature is still required to override any veto by the Governor.

Proposition 26

On November 2, 2010, the voters passed Proposition 26, which amends the State Constitution to require that certain state and local fees be approved by two-thirds of each house of the Legislature instead of a simple majority, or by local voters. The change in law affects regulatory fees and charges such as oil recycling fees, hazardous materials fees and fees on alcohol containers.

Proposition 26 provides that the local government bears the burden of proving by a preponderance of evidence that a levy, charge or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the government activity, and that the manner in which those costs are allocated to a payor bear a reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The County does not expect the provisions of Proposition 26 to materially and adversely affect its ability to pay debt service on the Note when due.

Assessment Appeals and Assessor Reductions

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county assessment appeals board (a "Proposition 8" appeal).

Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as “ongoing hardship”), a county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. In a similar manner, a county assessor may reassert the pre-appeal level of assessed value depending on the county assessor’s determination of current value.

In addition to reductions in assessed value resulting from Proposition 8 appeals and general economic conditions, California law also allows assessors to reduce assessed value unilaterally based on a general decline in market value of an area. Although Proposition 8 reductions are temporary and are expected to be eliminated under Proposition 13 if and when market conditions improve, no assurance is given that such reductions will be eliminated. The County has been affected by a reduction in taxable property assessed values due to successful property owner appeals and unilateral reductions by the County Assessor, and may experience additional reductions in the future. In Fiscal Year 2013-14, the secured property tax roll increased by approximately 3.95% from the prior year. The County expects assessed valuation to increase by approximately 4.5% in Fiscal Year 2014-15, primarily as a result of increasing property values and sale volume. See APPENDIX A: “INFORMATION REGARDING THE COUNTY OF RIVERSIDE.”

Timing is an important consideration with respect to the property valuation process. Values are set for the current year with a valuation date as of the preceding January 1. Changes in market value subsequent to the January 1 valuation date are not reflected until the subsequent year. Therefore, there is an inherent lag in the process.

The County Assessor prepares the tax roll in each spring and summer. Owners are notified of changes in valuation by early fall and have the ability to file an appeal. The deadline for appeals in the County is November 30th. Current year appeals take a number of months to process and typically are not resolved by the end of the fiscal year.

Assessor-initialized reductions generally represent the bulk of adjustments to the tax roll during a time of a market decline. Cumulatively, assessed valuation in the County declined 16.36% since fiscal year 2007-08 through fiscal year 2012-13 due to the County Assessor’s proactive reviews. No Proposition 8 reductions are expected for Fiscal Year 2013-14 or 2014-15.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D and Propositions 62, 1A, 25 and 26 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time-to-time, other initiative measures could be adopted, further affecting revenues of the County or the County’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the County.

STATE OF CALIFORNIA BUDGET INFORMATION

The following information concerning the State’s budgets has been obtained from publicly available information which the County believes to be reliable; however, the County does not guaranty the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information in this Official Statement that the principal or interest due with respect to the Note is payable from any funds of the State.

The County relies significantly upon State and Federal payments for reimbursement of various costs including certain mandated programs. For Fiscal Year 2013-14, approximately 42.1% of the County's General Fund budget revenues consist of payments from the State and approximately 20.7% consists of payments from the Federal government. For Fiscal Year 2014-15, the County projects that approximately 43.1% of its General Fund budget revenues will consist of payments from the State and 20.4% will consist of payments from the Federal government.

The following information concerning the State's budgets has been obtained from publicly available information which the County believes to be reliable; however, the County neither takes any responsibility for or guarantees the accuracy or completeness thereof. The County has not independently verified such information. Information about the State Budget is regularly available at various State-maintained websites. Text of the budget may be found at the Department of Finance website. An impartial analysis of the budget is posted by the Office of the Legislative Analyst at its website. In addition, various State official statements, many of which contain a summary of the current and past State budgets, may be found at the website of the State Treasurer. The information referred to is prepared by the respective State agency maintaining each website and not by the County or the Underwriters, and the County and the Underwriters take no responsibility for the continued accuracy of the internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated herein by these references.

For a description of certain potential impacts of the State budget on the finances and operations of the County, see APPENDIX A: "INFORMATION REGARDING THE COUNTY OF RIVERSIDE – Financial Information – Impacts of State Budget" attached hereto.

State Budget for Fiscal Year 2013-14. In June 2013, the State budget for Fiscal Year 2013-14 (the "2013 Budget Act") was enacted. The 2013 Budget Act included an estimated \$97.1 billion in revenues and transfers, and planned spending of \$96.3 billion. The 2013 Budget Act included an expected spending increase of 5% from the prior fiscal year and included an additional \$2.7 billion in Proposition 98 funding, accounting for approximately 57% of General Fund spending. The 2013 Budget Act also contained a surplus of approximately \$1.7 billion. Temporary revenues provided by the passage of Proposition 30 (a sales and income tax revenue increase approved by the State voters on November 6, 2012) and spending cuts made in the past two years mean that the State's budget is projected to remain balanced for the foreseeable future. In addition, the 2013 Budget Act overhauled the State's system of K-12 education funding by adopting a new allocation formula, known as the local control funding formula ("LCFF"), which transitions funding to a locally-controlled system.

Significant features of the 2013 Budget Act pertaining to counties include the following:

- *Impact of Health Care Reform*—the 2013 Budget Act proposed the state-based approach to the optional expansion of health care, whereby the State assumed greater financial responsibility for health care programs. The 2013 Budget Act is based on the assumption that increased coverage will generate substantial savings for the counties which pay for care for adults who are not eligible for Medi-Cal through their local indigent health care services programs. Counties currently meet this responsibility by operating facilities including hospitals and clinics and/or by contracting with private providers. Under the state-based approach, county costs and responsibilities for indigent health care are expected to decrease, but the 2013 Budget Act proposes that savings will be calculated based on the actual experience of each county by measuring actual county costs for providing services and the revenue received for such services. The 2013 Budget Act redirects any such savings to support human services programs at the local level.

- *Redevelopment Agency Funds*—In those areas that contained redevelopment agencies, the 2013 Budget Act estimated that over Fiscal Year 2012-13 and Fiscal Year 2013-14, approximately \$1.4 billion in redevelopment agency funds will be distributed back to counties.
- *CalWORKs Employment Services*—The 2013 Budget Act included an increase of \$191.1 million in fiscal year 2013-14 to support the CalWORKs refocusing measures enacted by SB 1041. Counties are expected to assume greater financial responsibility for CalWORKs, CalWORKs-related child care programs and CalFresh (food stamps). Counties were required to enhance and expand their array of employment services and job development activities for program participants, and intensify case management efforts for individuals not currently participating in activities that will eventually lead to self-sufficiency.
- *In-Home Supportive Services (“IHSS”)*—The 2013 Budget Act included \$1.8 billion General Fund for the IHSS program in Fiscal Year 2013-14, a 4.9% increase over the revised Fiscal Year 2012-13 budget and 6.5% increase from the 2012 Budget Act. An increase of \$47.1 million is related to the recently enacted county maintenance-of-effort requirement (“MOE”). Effective July 1, 2012, counties’ share of the non-federal portion of IHSS costs is based on actual expenditures by counties in fiscal year 2011-12. The counties MOE requirement will increase by 3.5 percent annually, beginning in fiscal year 2014-15.
- *Property Tax Revenues.* Statewide property tax revenues were expected to increase 1.3% in Fiscal Year 2012-13 and 2.8% in Fiscal Year 2013-14. The base 1 percent rate was expected to generate roughly \$50.9 billion in revenue in Fiscal Year 2013-14, of which roughly half (\$27.2 billion) was allocated go to K-14 schools. Of this amount, approximately \$1.5 billion was shifted from schools to cities and counties to replace sales and use tax revenues redirected from those entities to repay the State’s Economic Recovery Bonds, and approximately \$6.1 billion was shifted from schools to cities and counties to replace Vehicle License Fee (“VLF”) revenue losses stemming from the reduced VLF rate. Local governments now receive property tax revenue to compensate them for the loss of VLF revenue. In Fiscal Year 2013-14 the estimated value of the VLF backfill to cities and counties is \$6 billion. The value of the reduction of the VLF rate from 2% to 0.65% is \$4.1 billion.

Proposed State Budget for Fiscal Year 2014-15. On January 9, 2014, the Governor presented a budget package for Fiscal Year 2014-15 (the “2014 Proposed Budget”) that included \$151 billion in spending from the General Fund and special funds, representing an \$11 billion increase over the revised 2013-14 level, and a \$2.3 billion reserve at the end of Fiscal Year 2014-15. The 2014 Proposed Budget uses much of the large projected growth – primarily attributable to increases in personal income tax collections – to pay down \$6.2 billion in school and community college deferrals. The 2014 Proposed Budget includes \$4.5 billion for K-14 LCFF and \$1.6 billion in payments for the State’s prior economic recovery bonds. The 2014 Proposed Budget places great emphasis in paying down debt in the current and future years, including accelerating completion of the “triple flip” property/sales tax swap by one year. The Governor also proposed a rainy-day fund measure be brought before the voters on the November 2014 ballot. The rainy-day fund would base deposits on capital gains related revenues. Based on its review, the County does not anticipate that the 2014 Proposed Budget will have a significant impact on the County’s Fiscal Year 2014-15 Recommended Budget.

Significant features of the 2014 Proposed Budget pertaining to counties include the following:

- *Infrastructure Finance*—The 2014 Proposed Budget proposes to expand the tax increment financing tool utilized by infrastructure financing districts (“IFDs”). The proposal plans to expand the type of projects, allow cities and counties to meet benchmarks to create IFD’s and issue related debt, allow new IFDs to overlap former project areas of redevelopment agencies, while still prohibiting the diversion of property tax revenues from K-14 schools.
- *Medi-Cal Expansion*—The 2014 Proposed Budget estimates that counties will save \$200 million in Fiscal Year 2014-15 through the implementation of Medi-Cal expansion through a six month pro-rata redirection of each county’s 1991 health realignment funding. The 2014 Proposed Budget projects that Medi-Cal caseload will increase by approximately 10% in Fiscal Year 2014-15 from the prior fiscal year, largely due to implementation of federal health reform and the shift of children from Healthy Families to Medi-Cal.
- *CalWORKs Employment Services*—In March 2014, the County received a 5% increase in state grants totaling \$57.5 million from redirected county health realignment funds. The 2014 Proposed Budget provides \$6.3 million from the State’s general fund and \$160 million from redirected county savings to support the full-year costs of the 5% grant increase.
- *In-Home Supportive Services (“IHSS”)*—The 2014 Proposed Budget includes \$2 billion for the IHSS program, a 6.4% increase from the prior fiscal year. The U.S. Department of Labor also announced new regulations effective January 1, 2015 that would require overtime pay for domestic workers. To control costs, the 2014 Proposed Budget prohibits providers from working overtime.

Legislative Analyst’s Office Response to 2014 Proposed Budget. The Legislative Analyst’s Office (the “LAO”) released its Overview of the 2014 Proposed Budget on January 13, 2013 (the “LAO Overview”). The LOA Overview praised the Governor’s emphasis on debt repayment and stated that the 2014 Proposed Budget would place California on an even stronger fiscal footing. In addition to the proposed rainy-day fund, the LAO suggests that the State begin setting aside funds in Fiscal Year 2014-15 to address the California State Teachers Retirement System (CalSTRS) unfunded liabilities.

Future State Budgets. No prediction can be made by the County as to whether the State will encounter budgetary problems in future fiscal years, and if this occurs, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the County cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on County finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors, over which the County has no control.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), Bond Counsel to the County, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Note is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. The amount treated as interest on the Note and excluded from gross income may depend upon the taxpayer’s election under Internal Revenue Notice 94-84. In the further opinion of Bond Counsel, interest on the Note is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current

earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of the opinion of Bond Counsel is set forth in APPENDIX C—"PROPOSED FORM OF OPINION OF BOND COUNSEL."

Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the payment at maturity on debt obligations such as the Note that is excluded from gross income for federal income tax purposes is (i) the stated interest payable at maturity, or (ii) the difference between the issue price of the Note and the aggregate amount to be paid at maturity of the Note (the "original issue discount"). For this purpose, the issue price of the Note is the first price at which a substantial amount of the Note is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Until the IRS provides further guidance, taxpayers may treat either the stated interest payable at maturity or the original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax exempt debt obligations with a term that is not more than one year from the date of issue in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of the Note original issue discount treatment is elected.

A Note purchased, whether at original issuance or otherwise, for an amount higher than the principal amount payable at maturity ("Premium Note") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Note, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a holder of the Note's basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such holder of the Note. Holders of a Premium Note should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Note. The County has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Note will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Note being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Note. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Note may adversely affect the value of, or the tax status of interest on, the Note. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

One of the covenants of the County referred to above requires the County to reasonably and prudently calculate the amount, if any, of excess investment earnings on the proceeds of the Note which must be rebated to the United States, to set aside from lawfully available sources sufficient moneys to pay such amounts and to otherwise do all things necessary and within its power and authority to ensure that interest on the Note is excluded from gross income for federal income tax purposes. Under the Code, if the County spends 100% of the proceeds of the Note within six months after issuance, there is no requirement that there be a rebate of investment profits in order for interest on the Note to be excluded from gross income for federal income tax purposes. The Code also provides that such proceeds are not deemed spent until all other available moneys (less a reasonable working capital reserve) are spent. The County expects to satisfy this expenditure test or, if it fails to do so, to make any required rebate payments from moneys received or accrued during the 2013-14 Fiscal Year. To the extent that any rebate cannot be

paid from such moneys, California law is unclear as to whether such covenant would require the County to pay any such rebate. This would be an issue only if it were determined that the County's calculation of expenditures of Note proceeds or of rebatable arbitrage profits, if any, was incorrect.

Although Bond Counsel is of the opinion that interest on the Note is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Note may otherwise affect a holder of the Note's federal, state or local tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the holder(s) of the Note or the holder(s) of the Note's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Note to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent holders from realizing the full current benefit of the tax status of such interest. For example, Representative Dave Camp, Chair of the House Ways and Means Committee released draft legislation that would subject interest on the Note to a federal income tax at an effective rate of 10% or more for individuals, trusts, and estates in the highest tax bracket, and the Obama Administration proposed legislation that would limit the exclusion from gross income of interest on the Note to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Note. Prospective purchasers of the Note should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Note for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Note ends with the issuance of the Note, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the holders of the Note regarding the tax-exempt status of the Note in the event of an audit examination by the IRS. Under current procedures, parties other than the County and its appointed counsel, including the holders of the Note, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of the IRS's positions with which the County legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Note for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Note, and may cause the County or the holders of the Note to incur significant expense.

LITIGATION

No litigation is pending, or, to the best knowledge of the County, threatened, concerning the validity of the Note or the Resolution, or contesting the County's ability to appropriate or make the repayment of the Note, and an opinion of the Office of County Counsel to that effect will be furnished to

the Underwriters at the time of the execution and delivery of the Note. See APPENDIX A—“INFORMATION REGARDING THE COUNTY OF RIVERSIDE—Financial Information—Litigation” for a discussion of the County’s pending general litigation.

LEGALITY FOR INVESTMENT

Under provisions of the California Financial Code, the Note is a legal investment for commercial banks in California to the extent that the Note, in the informed opinion of the bank, is prudent for the investment of funds of its depositors, and are eligible to secure deposits of public moneys in California under provisions of the California Government Code.

UNDERWRITING

The Note is being purchased initially by J.P. Morgan Securities LLC, as senior manager (“J.P. Morgan”), and Wells Fargo Bank, N.A., as co-manager (“Wells” and, together with J.P. Morgan, the “Underwriters”), at a price of \$_____ (being the par amount of the Note, plus/less an original issue premium/discount in the amount of \$_____, less the Underwriter’s discount of \$_____). The Contract of Purchase provides that the Underwriters will purchase all of the Note, if any are purchased. Furthermore, the obligation to make such purchase is subject to certain terms and conditions set forth in the Contract of Purchase and certain other conditions.

The Underwriters may offer and sell the Note to certain dealers and others at a price lower than the initial public offering price. The offering price may be changed from time to time by the Underwriters.

Wells Fargo Bank, National Association (“WFBNA”), one of the underwriters of the Notes, has entered into an agreement (the “Distribution Agreement”) with its affiliate, Wells Fargo Advisors, LLC (“WFA”), for the distribution of certain municipal securities offerings, including the Notes. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Notes with WFA. WFBNA also utilizes the distribution capabilities of its affiliates, Wells Fargo Securities, LLC (“WFSLLC”) and Wells Fargo Institutional Securities, LLC (“WFIS”), for the distribution of municipal securities offerings, including the Notes. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, WFIS, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Wells Fargo Bank, N.A. is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association.

CONTINUING DISCLOSURE

Pursuant to the Resolution, the County has covenanted for the benefit of the Owners and beneficial owners of the Note to comply with Securities and Exchange Commission Rule 15c2-12(b)(5) and will enter into a Continuing Disclosure Certificate as of the closing date, in which it covenants to provide information regarding material adverse events, if any such events should occur in connection with the following, to the owners of the Note and to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system, or any successor thereto, during the term of the Note. In addition, the County has covenanted to provide updated quarterly cash flow information within 40 days of the end of each fiscal quarter, beginning with the fiscal quarter ending September 30, 2014. See

APPENDIX D—“PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriters in complying with the Rule.

For each of the last five years the County has timely filed each of its annual reports and all notices of material events as required by its previous undertakings with respect to the Rule. However, in 2012, the County determined that previous filings did not include certain budget information required by its previous undertakings. In addition, in April 2014 the County recognized that its annual reports for the 2009 and 2010 fiscal years were not filed with respect to two issuances, and that the annual report for the 2013 fiscal year was with respect to one issuance. Such information and reports were available, however, on the County's website and/or available in other continuing disclosure filings made by the County. The County has subsequently filed such budget information and ensured that the annual reports are correctly filed with respect to all of its outstanding securities, and, other as described above, is currently in compliance with all of its undertakings with respect to the Rule. The County has retained an independent consultant to review continuing disclosure compliance for each new issue going forward in a best practice effort to avoid future non-compliance.

RATINGS

Standard and Poor's Rating Services, a division of the McGraw Hill Companies Inc. and Fitch, Inc. have assigned ratings of “[SP-1+]” and “[F1+],” respectively, to the Note. Such ratings reflect only the views of such rating agencies, and any explanation of the significance of such ratings should be obtained from each rating agency. Further, there is no assurance that any of the ratings will be retained for any given period of time or that any of the ratings will not be revised or withdrawn entirely by such rating agencies if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the trading value and the market price of the Note.

CERTAIN LEGAL MATTERS

At the time of the delivery of the Note, Orrick, Herrington & Sutcliffe LLP, Bond Counsel, will deliver its final approving opinion. A proposed forms of such approving opinion is contained in APPENDIX C hereto and will be delivered to DTC with the Note. Bond Counsel has undertaken no responsibility for the accuracy, completeness or fairness of this Official Statement.

Certain legal matters will be passed upon for the County by the County Counsel, and for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. Payment of the fees of Bond Counsel, Disclosure Counsel and Underwriter's Counsel, is contingent upon the issuance of the Note. Underwriters Counsel has undertaken no responsibility for the accuracy, completeness or fairness of this Official Statement.

FINANCIAL ADVISOR

The County has retained Fieldman, Rolapp & Associates, Irvine, California, as Financial Advisor in connection with the authorization and delivery of the Note. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement. The fees of the Financial Advisor are contingent upon the sale, issuance and delivery of the Note.

Fieldman, Rolapp & Associates is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

FINANCIAL STATEMENTS

The general purpose financial statements of the County, pertinent sections of which are included in APPENDIX B to this Official Statement, have been audited by Brown Armstrong Certified Public Accountants, independent certified public accountants, as stated in their report appearing in APPENDIX B. Brown Armstrong Certified Public Accountants, has not consented to the inclusion of its report as APPENDIX B and has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Brown Armstrong Certified Public Accountants, with respect to any event subsequent to its report dated December 13, 2013. See APPENDIX B— “THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013” attached hereto.

MISCELLANEOUS

References made herein to certain documents and reports are brief summaries thereof, which do not purport to be complete or definite, and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Resolution are available upon request from the County of Riverside, County Executive Office, 4th Floor, 4080 Lemon Street, Riverside, California 92501, Attention: County Finance Director.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or holders of the Note.

The execution and delivery of this Official Statement has been duly authorized by the County.

COUNTY OF RIVERSIDE

By: _____
Authorized Officer

APPENDIX A
INFORMATION REGARDING THE COUNTY OF RIVERSIDE

APPENDIX B

THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

July 1, 2014

County of Riverside
Riverside, California

County of Riverside
2014 Tax and Revenue Anticipation Notes, Series A and Series B
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the County of Riverside, California (the "County") in connection with the issuance of (i) \$ _____ aggregate principal amount of notes, designated the "County of Riverside 2014 Tax and Revenue Anticipation Note, Series A" (the "Series 2014A Note") and (ii) \$ _____ aggregate principal amount of notes, designated the "County of Riverside 2014 Tax and Revenue Anticipation Note, Series B" (the "Series 2014B Note," and together with the Series 2014A Note, the "Notes"), each issued under and by authority of a resolution of the Board of Supervisors of the County duly passed and adopted on May 14, 2014 (the "Resolution"), under and by authority of Article 7.6, Chapter 4, Part 1, Division 2 of Title 5 (commencing with Section 53850) of the California Government Code.

In such connection, we have reviewed the Resolution, the Tax Certificate of the County, dated the date hereof (the "Tax Certificate"), an opinion of counsel to the County, certificates of the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the County. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof, and of the legal conclusions contained in the opinions referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to ensure that future actions,

omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Notes, the Resolution and the Tax Certificate, and their enforceability, may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against counties in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the documents mentioned in the preceding sentence. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Notes, and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes constitute the valid and binding obligations of the County. The principal of and interest on the Notes are payable from Pledged Revenues (as that term is defined in the Resolution), and to the extent not so paid, are payable from any other moneys of the County lawfully available therefor.

2. Interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. The amount treated as interest and excluded from gross income may depend upon the taxpayer's election under Internal Revenue Notice 94-84. Interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is entered into by the County of Riverside (the "County") in connection with the issuance by the County of Riverside of its \$250,000,000* aggregate principal amount of County of Riverside 2014-2015 Tax and Revenue Anticipation Note (the "Note"). The Note is being issued pursuant to a Resolution adopted by the Board of Supervisors of the County on [____], 2014 (the "Resolution"). The County covenants and agrees as follows:

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the County for the benefit of the Owners and Beneficial Owners (as defined below) of the Note and in order to assist the Participating Underwriters (as defined below, in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Note (including persons holding a Note through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Note for federal income tax purposes.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any person appointed in writing by the County to act as the County's agent in complying with the filing requirements of the Rule. As of the date of this Certificate, the County has not appointed a Dissemination Agent.

"Listed Event" means any of the events listed in Section 4(a) of this Certificate.

"MSRB" means the Municipal Securities Rulemaking Board and any successors or assigns, or any other entities or agencies approved under the Rule.

"Participating Underwriters" means any of the original purchasers of the Note required to comply with the Rule in connection with the offering of the Note.

"Quarterly Report" means any Quarterly Report of the County provided by the County pursuant to and as described in Section 3 of this Certificate.

"Repository" means, until otherwise designated by the Commission, the Electronic Municipal Market Access website of the MSRB located at <http://emma.msrb.org>.

* Preliminary, subject to change.

“Rule” means paragraph (b)(5) of Rule 15c2-12 adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than 40 days after the end of the fiscal quarters ending September 30, 2014, December 31, 2014 and March 31, 2015, provide to the Repository, in such format accompanied by such identifying information as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information, copies of the Quarterly Report of the County, which is consistent with the requirements of subsection (b) below. Each Quarterly Report may include by reference other information as required by this Certificate. The County shall provide a written certification with each Quarterly Report filed with the Dissemination Agent to the effect that such Quarterly Report constitutes the Quarterly Report required to be submitted by the County hereunder. The Dissemination Agent may conclusively rely upon such certification of the County.

(b) The County’s Quarterly Report shall contain or include by reference information regarding the County’s cash flow in the fiscal quarter most recently ended, including comparative information to the projected cash flow included in the Official Statement.

(c) The Dissemination Agent (if one has been appointed) shall:

(i) determine prior to the date for providing the Quarterly Report the name and address of the Repository; and

(ii) if the Quarterly Report has been furnished to the Dissemination Agent, file a report with the County certifying that the Quarterly Report has been provided pursuant to this Certificate, stating the date it was provided.

Section 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 4, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Note:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Note;

- (vii) modifications to the rights of Owners of the Note, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property, if any, securing repayment of the Note, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the County;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the County determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the County shall promptly file, or cause to be filed, a notice of such event with the MSRB and the Repository. Notwithstanding the foregoing, notice of Listed Events described in Subsections (a)(viii) and (ix) above need not be given under this subsection any earlier than when the notice, if any, of the underlying event is given to Owners of affected Note pursuant to the Resolution.

Section 5. Termination of Reporting Obligation. The County's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Note or upon delivery to the County and to the Dissemination Agent (if any) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Note, the County shall give notice of such termination in the same manner as for a Listed Event under Subsection 4(c).

Section 6. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 60 days' written notice to the County. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Certificate.

Section 7. Amendment Waiver. Notwithstanding any other provision of this Certificate, the County may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3 or Subsection 4(a), it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an obligated person with respect to the Note, or the type of business conducted;

(b) The undertakings, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Note, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Note in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners of the Note, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Note.

In the event of any amendment or waiver of a provision of this Certificate, the County shall describe such amendment in its next Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County.

Section 8. Additional Information. Nothing in this Certificate shall be deemed to prevent the County from disseminating any other information, including the information then contained in the County's official statements or other disclosure documents relating to debt issuances, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the County chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Certificate, the County shall have no obligation under this Certificate to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

Section 9. Default. In the event of a failure of the County to comply with any provision of this Certificate, any Owner or Beneficial Owner of the Note may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Resolution with respect to the Note, and the sole remedy under this Certificate in the event of any failure of the County to comply with this Certificate shall be an action to compel performance, and no person or entity shall be entitled to recover monetary damages under this Certificate.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate and the County agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its

powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Note.

Section 11. Beneficiaries. This Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters, the Owners and Beneficial Owners from time to time of the Note, and shall create no rights in any other person or entity.

Section 12. Governing Law. This Certificate shall be governed by the laws of the State of California and the federal securities laws.

COUNTY OF RIVERSIDE

By _____
Authorized Officer

[Signature Page for Continuing Disclosure Certificate]

EXHIBIT A

**FORM OF NOTICE TO REPOSITORIES
OF FAILURE TO FILE REPORT**

Name of Issuer: County of Riverside, California
Name of Bond Issue: \$250,000,000* County of Riverside 2014-2015 Tax and Revenue
Anticipation Note
Issuance Date: July 1, 2014

NOTICE IS HEREBY GIVEN that the COUNTY OF RIVERSIDE (the "County") has not provided the Quarterly Report with respect to the above-named Note as required by Section 3 of the Continuing Disclosure Certificate, dated as of July 1, 2014, executed and delivered by the County. [The County anticipates that such report will be filed by _____].

Dated: _____

COUNTY OF RIVERSIDE

By _____
Authorized Officer

* Preliminary, subject to change.

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

The information in this APPENDIX E concerning DTC and its book-entry system has been obtained from DTC and the County takes no responsibility for the completeness or accuracy thereof. The County cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Note, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Note, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Note, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this APPENDIX E. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. The County undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC's website as described in the preceding sentence, including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites.

Purchases of the Note under the DTC system must be made by or through Direct Participants, which will receive a credit for the Note on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Note are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Note, except in the event that use of the book-entry system for the Note is discontinued.

To facilitate subsequent transfers, the Note deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of the Note with DTC and its registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Note; DTC's records reflect only the identity of the Direct Participants to whose accounts such Note is credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Note unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Note is credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Note will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Note at any time by giving reasonable notice to the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF THE NOTE AND WILL NOT BE RECOGNIZED BY THE PAYING AGENT AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE PARTICIPANTS.

APPENDIX F
FORM OF RESOLUTION
