

FORM APPROVED COUNTY COUNSEL 8/27/14
 BY: GREGORY P. PRIAMOS DATE

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

422



FROM: Executive Office

SUBMITTAL DATE:
 August 28, 2014

SUBJECT: Issuance of FY 2014-15 Teeter Series D & E Notes, All Districts, [\$256,000] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Board Resolution No. 2014-182 authorizing the issuance of the FY2014-15 Teeter Notes, supplementing its Master Teeter Resolution and providing for the terms and conditions of the Series D and Taxable Series E Teeter Plan Obligations and all necessary documents to consummate the issuance of the Notes.

BACKGROUND:

Summary

Riverside County adopted the Teeter Plan in 1993. The Teeter Plan provides participating taxing entities with advance funding of uncollected property taxes. This occurs after the close of the fiscal year in exchange for the County's assumption of collection risk. Participation in the Teeter Plan is voluntary, except for school districts. Approximately 350 entities participate.

Continued on page 2

Lani Sioson

Lani Sioson
 Principal Management Analyst

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 256,000	\$ 0	\$ 256,000	\$ 0	Consent <input type="checkbox"/> Policy X
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: Teeter Note Proceeds				Budget Adjustment: No	
				For Fiscal Year: 2014-15	

C.E.O. RECOMMENDATION:

APPROVE

BY: *Ivan M. Chand*
 Ivan M. Chand

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.: 3-9 9/10/13

District: All

Agenda Number:

3 - 10

Departmental Concurrence

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Issuance of FY 2014-15 Teeter Series D & E Notes, All Districts, [\$256,000] (Vote on Separately)

DATE: August 28, 2014

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

The current Note program was put in place in 1997. The Teeter financing program is open-ended and continuously rolls over any unpaid amounts, since it takes several years, on average, for collection of delinquent accounts. The annual amount of Notes issued is based upon the following: i.) Taxes collected in the prior year pay down the previous year's maturing notes, ii.) The remaining notes are rolled into the current year's financing and iii.) The amount needed to fund the current advance of unpaid taxes is added to the financing.

The amount of the FY 2014-15 Teeter Obligations is estimated at \$102 million. The Notes will be issued in fixed rate form in two series as was the case last year, under the 1997 Master Resolution, both with a one year maturity. Series D Notes will be issued in the approximate amount of \$101 million and Series E Notes will be issued in the approximate amount of \$1 million. The Series D Notes are tax-exempt; the Series E Notes are taxable and represent the residual of last year's addition of the cities of Eastvale and Riverside to the program. The combined 2013-14 Notes were issued in the amount of \$119.7 million.

The size of the program expands and contracts as tax delinquencies go up and down and with changes to the size of the overall tax roll. The amount of notes outstanding is actually exceeded by the principal amount of taxes owed to the County, by approximately \$8 million. Given the County's senior lien position and the relationship between the amount of taxes and property values, over time the County collects 99%+ of the taxes owed, in addition to penalties and interest. Unlike most other County financings, which bear a net cost, the Teeter financing program results in net revenues to the County General Fund.

The Program generates ongoing revenue for the General Fund by capturing the penalties and interest on the unpaid taxes upon collection. Those are paid at an annual rate in excess of 20% per annum (10% late penalty plus 1 ½% per month of default); the County's cost to finance the program is currently below 0.50%. After replenishing the statutorily required balance in the Tax Losses Reserve Fund and paying the interest cost for the year, the net amount is transferred in as unrestricted revenue.

This item was approved by the Debt Advisory Committee on August 14, 2014.

Impact on Citizens and Businesses

This item will be beneficial for the citizens of Riverside County due to the revenue that flows to the General Fund to support county programs. Continued operation of the Teeter program provides substantial annual revenue to the County. Financing the program externally keeps the costs low and preserves the County's cash for other purposes.

SUPPLEMENTAL:

Additional Fiscal Information

None

RESOLUTION NO. 2014-182
OF
THE COUNTY OF RIVERSIDE

SUPPLEMENTING ITS
MASTER TEETER RESOLUTION, AND
PROVIDING FOR THE TERMS AND CONDITIONS OF
2014 SERIES D TEETER PLAN OBLIGATION NOTES (TAX-EXEMPT)
and
2014 SERIES E TEETER PLAN OBLIGATION NOTES (TAXABLE)

ADOPTED ON SEPTEMBER 9, 2014

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RESOLUTION NO. 2014-182

**RESOLUTION OF THE COUNTY OF RIVERSIDE
SUPPLEMENTING ITS MASTER TEETER RESOLUTION,
AND PROVIDING FOR THE TERMS AND CONDITIONS OF
2014 SERIES D TEETER PLAN OBLIGATION NOTES (TAX-EXEMPT)
AND 2014 SERIES E TEETER PLAN OBLIGATION NOTES (TAXABLE)**

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

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

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

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

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

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

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

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

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner* 8/27/14
DALE A. GARDNER DATE

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

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

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

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

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

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

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

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

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

WHEREAS, pursuant to Resolution No. 2010-281, adopted September 14, 2010, the Board authorized Series B Obligations and Series C Obligations to refund a Demand Obligation relating to the fiscal year ended June 30, 2010 and to refund Outstanding Series B Notes and Series C Notes; and

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

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

WHEREAS, pursuant to Resolution No. 2013-222, adopted September 10, 2013, the Board authorized Series D Obligations and Series E Obligations to refund a Demand Obligation relating to the fiscal year ended June 30, 2013 and to refund Outstanding Series D Notes; and

WHEREAS, the County wishes to include within the definition of Series B Taxes all uncollected property taxes and assessments attributable to the fiscal year ended June 30, 2014; and

WHEREAS, the County wishes to issue a Demand Obligation or Demand Obligations relating to delinquencies in property taxes and assessments attributable to the fiscal year ended June 30, 2014 and to issue Teeter Plan Obligation Notes, 2014 Series D (Tax-Exempt) (the "2014 Series D Notes"), the proceeds of which are to be used to refund all or a portion of a Demand Obligation, to refund Outstanding Series D Notes and to pay costs of issuance; and

WHEREAS, the County wishes to issue Teeter Plan Obligation Notes, 2014 Series E (Taxable) (the "2014 Series E Notes" and, collectively with the 2014 Series D Notes, the "2014 Notes"), the proceeds of which are to be used to refund Outstanding Series E Notes and to pay costs of issuance; and

WHEREAS, the County wishes to confirm that the security interest and pledge granted pursuant to Section 302 of the Master Teeter Resolution extends to such Series B Taxes and also secures the 2014 Notes.

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

ARTICLE I

AUTHORITY FOR SUPPLEMENTAL RESOLUTIONS; DEFINITIONS

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

1.02 Definitions.

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

“**Series B Taxes**” means (i) the right to collect any uncollected property taxes due to the County and the other Revenue Districts for the fiscal years ended June 30, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013 and 2014 and such other fiscal years, if any, as may be specified in a Supplemental Resolution, (ii) all amounts received by the County upon the sale of property to recover such property taxes or assessments, and (iii) all amounts received by the County upon the redemption of properties for sale or previously sold to recover such property taxes or assessments, in each case to which the County is entitled, including as a consequence of electing to being governed by the Law, and in each case following the allocation by the County of the receipts of property taxes and assessments between the Revenue Districts and those public districts within the County which have not agreed that the Law shall apply to them; provided, however, that Series B Taxes shall not include (i) the right to collect delinquencies in property taxes due to an Independent District for all fiscal years prior to the fiscal year in which the respective Independent District agreed (pursuant to Section 4715 of the Law) that the Law shall apply to it, (ii) Default Penalties, (iii) interest or Redemption Penalties, (iv) costs and fees paid pursuant to Section 4102(d) and 4112 of the Taxation Code and (v) installment payments made pursuant to Section 4217 et. seq. of the Taxation Code with respect to properties otherwise subject to Series A/B Taxes. Series B Taxes shall not include Series A Taxes or Other Taxes.

“**2014 Notes**” means the 2014 Series D Notes (Tax-Exempt) and the 2014 Series E Notes (Taxable).

ARTICLE II

AUTHORIZATION OF DEMAND OBLIGATIONS

2.01 Authorization of Demand Obligation. The County shall evidence its obligation to make distributions to Revenue Districts pursuant to the Law in respect of property taxes and assessments attributable to the fiscal year ended June 30, 2014, through the issuance of a Demand Obligation or Demand Obligations in the principal amounts of such distributions.

ARTICLE III

EXTENSION OF SERIES B TEETER OBLIGATION PLEDGE

3.01 Pledge of Series B Taxes. All Series B Taxes as defined in this Supplemental Resolution shall be governed by the provisions of Section 302(2) of the Master Teeter Resolution, the security interest and pledge created pursuant to said Section 302(2) shall hereby extend to Series B Taxes as defined in this Supplemental Resolution, and such security interest and pledge shall hereby extend in favor of Holders of (a) the Demand Obligations referred to in Section 2.01 hereof and issued hereunder and (b) the 2014 Series D Notes and 2014 Series E Notes authorized and issued hereunder. The lien on Series B Taxes shall continue so long as any 2014 Notes remain Outstanding, and shall secure on a parity lien, the 2014 Series D Notes and the 2014 Series E Notes.

ARTICLE IV

AUTHORIZATION AND ISSUANCE OF 2014 NOTES

4.01 Authorization of 2014 Notes. The Board hereby determines that the County shall issue (i) as 2014 Series D Obligations, the "Teeter Plan Obligation Notes, 2014 Series D (Tax-Exempt)," and the proceeds shall be applied to the refunding, in whole or in part, of a Demand Obligation, Outstanding Series D Notes, and to pay costs of issuance, and (ii) as 2014 Series E Obligations, the "Teeter Plan Obligation Notes, 2014 Series E (Taxable)," and the proceeds shall be applied to the refunding, in whole or in part, of Outstanding Series E Notes and to pay costs of issuance. The aggregate principal amount of 2014 Notes issued hereunder shall not exceed \$102,000,000. The 2014 Series D Notes shall be Tax-Exempt Notes (and the tax covenants contained in Section 815 of the Resolution shall apply to the 2014 Series D Notes) and the 2014 Series E Notes shall be Taxable Notes. Any different or additional terms and provisions of the 2014 Notes shall be set forth in a written certificate of the Treasurer or County Executive Officer delivered prior to the issuance of the 2014 Notes.

4.02 Denominations, Medium, Method and Place of Payment and Dating of 2014 Notes. (a) The 2014 Notes shall be initially issued and registered as provided in Section 4.07 of this Supplemental Resolution and otherwise shall be in the denominations of \$5,000 or any integral multiple thereof, and shall be dated the date of issuance thereof, shall mature no later than December 31, 2015, and shall bear interest, payable at maturity and computed on the basis of a 360-day year composed of twelve 30-day months for the 2014 Series D Notes and actual days/360-day year for the 2014 Series E Notes, at the rates per annum determined in accordance with this Supplemental Resolution.

(b) Both the principal of the 2014 Notes and interest due on the 2014 Notes at maturity shall be payable in lawful money of the United States of America, only to the registered owners of the Notes upon surrender thereof at the principal office of the Fiscal Agent upon the maturity thereof. No interest shall be payable on any 2014 Note for any period after maturity during which the registered owner thereof fails to properly present such 2014 Note for payment.

4.03 Sale of Notes. The Purchase Contract between Wells Fargo Bank, National Association and Stifel Nicolaus & Company, Incorporated (the "Underwriters") and the County (the "Purchase Contract"), in substantially the form presented to this meeting, is hereby approved. The Treasurer and the County Executive Officer and their designees are, and each of them acting alone is, authorized to execute and deliver such Purchase Contract, with such changes, additions, completions and corrections therein as such officers shall require or approve, including specifying the principal amount of the 2014 Series D Notes and the 2014 Series E Notes (not to exceed the amount authorized under Section 4.01 hereof), the term of the 2014 Series D Notes and the 2014 Series E Notes (not to exceed the maturity date set forth in Section 4.02(a) hereof), the interest rate on the 2014 Series D Notes and the 2014 Series E Notes and the purchase price of the 2014 Notes, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the true interest cost of the 2014 Notes shall not exceed 0.75% per annum, and that the underwriters' discount (exclusive of original issue discount) on the 2014 Notes shall not exceed 0.05% of the principal amount of the 2014 Notes.

4.04 Payment of 2014 Notes. There is hereby established with the Fiscal Agent, as agent and pledge holder for the Holders of the 2014 Notes, the "2014 Payment Fund." On or before the maturity date of the 2014 Notes, the County shall transfer to the Fiscal Agent from the General Fund, including the Series B Taxes, an amount sufficient to pay the principal of and interest on the 2014 Notes when due.

4.05 Forms of 2014 Notes. The 2014 Notes and the assignment to appear thereon each shall be in substantially the form set forth in Exhibits A and B attached hereto and incorporated herein, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

4.06 Execution and Authentication of Notes. The County Executive Officer is hereby authorized to sign the 2014 Notes by use of his manual or facsimile signature, and the Clerk of the Board of Supervisors is hereby authorized to countersign the 2014 Notes by use of his/her manual signature and to affix the seal of the Board of Supervisors thereto by facsimile thereon. Said officers are hereby authorized to cause the blank spaces in the Notes to be filled in as may be appropriate and to deliver the 2014 Notes to the Underwriters in accordance with the terms and provisions of the Purchase Contract. In the case of 2014 Notes executed by facsimile signature of both the County Executive Officer and the Clerk of the Board of Supervisors, the 2014 Notes shall not be valid unless and until the Fiscal Agent or his or her designee shall have manually authenticated such Notes.

In case any officer whose signature appears on the 2014 Notes shall cease to be such officer before the delivery of the 2014 Notes to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Notes.

4.07 Registration, Exchange and Transfer. (a) The Depository Trust Company, New York, New York, is hereby appointed depository for the 2014 Notes. The 2014 Notes shall be initially issued and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York and shall be evidenced by a single 2014 Series D Note and a single 2014 Series E Note. Registered ownership of each 2014 Note, or any portion thereof, may not thereafter be transferred except as set forth in Section 4.07(b).

(b) The 2014 Notes shall be initially issued and registered as provided in Section 4.07(a) hereof. Registered ownership of the 2014 Notes, or any portions thereof, may not thereafter be transferred except:

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

(ii) to any Substitute Depository not objected to by the County Executive Officer, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a

determination by the County Executive Officer to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

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

(c) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (b) of this Section, upon receipt of all outstanding 2014 Notes by the Fiscal Agent (together, in the case of a successor fiscal agent appointed by the County, with a written request of the County Executive Officer to such successor fiscal agent designating the Substitute Depository), a single new 2014 Series D Note and 2014 Series E Note, which the County shall prepare or cause to be prepared, shall be executed and delivered, registered in the name of any such successor to Cede & Co. or such Substitute Depository, or their respective nominees, as the case may be, all as specified by the County Executive Officer. In the case of any transfer pursuant to clause (iii) of subsection (b) of this Section upon receipt of all outstanding 2014 Notes by the Fiscal Agent (together, in the case of a successor fiscal agent appointed by the County, with a written request of the County Executive Officer to such successor fiscal agent), new 2014 Notes, which the County shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as specified by the County Executive Officer, subject to the limitations of this Section, provided that the Fiscal Agent shall deliver such new 2014 Notes as soon as practicable.

(d) The County and the Fiscal Agent shall be entitled to treat the person in whose name any 2014 Note is registered as the owner thereof for all purposes of the Resolution and for purposes of payment of principal of and interest on such 2014 Note, notwithstanding any notice to the contrary received by the Fiscal Agent or the County; and the County and the Fiscal Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the 2014 Notes. Neither the County nor the Fiscal Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successor (or Substitute Depository or its successor), except to the owner of any 2014 Notes, and the Fiscal Agent may rely conclusively on its records as to the identity of the owners of the 2014 Notes.

(e) Notwithstanding any other provision of this Resolution and so long as all outstanding 2014 Notes are registered in the name of Cede & Co. or its registered assigns, the County and the Fiscal Agent shall cooperate with Cede & Co. or its registered assigns, as sole registered owner, in effecting payment of the principal of and interest on the 2014 Notes by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due all in accordance with the Letter of Representations, the provisions of which the Fiscal Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

(f) In the case of any transfer pursuant to clause (iii) of subsection (b) of this Section, any 2014 Note may, in accordance with its terms, be transferred or exchanged for a 2014 Note of like aggregate principal amount in authorized denominations, upon the books required to be kept by the Fiscal Agent pursuant to the provisions hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2014 Note for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed and in form approved by the Fiscal Agent.

Whenever any 2014 Note shall be surrendered for transfer or exchange, the County shall execute and the Fiscal Agent shall authenticate, if required, and deliver a new 2014 Note of authorized denominations, for a like aggregate principal amount. The Fiscal Agent shall require the owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(g) The Fiscal Agent will keep or cause to be kept sufficient books for the registration and transfer of the 2014 Notes, which shall at all times be open to inspection by the County. Upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, 2014 Notes as hereinbefore provided.

(h) If any 2014 Note shall become mutilated, the County, at the expense of the owner of such 2014 Note, shall execute, and the Fiscal Agent shall thereupon authenticate, if required, and deliver a new 2014 Note of like tenor and number in exchange and substitution for the 2014 Note so mutilated, but only upon surrender to the Fiscal Agent of the 2014 Note so mutilated. Every mutilated 2014 Note so surrendered to the Fiscal Agent shall be cancelled by it and delivered to, or upon the order of, the County. If any 2014 Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County and the Fiscal Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the County, at the expense of the owner, shall execute, and the Fiscal Agent shall thereupon authenticate, if required, and deliver a new 2014 Note of like tenor and number in lieu of and in substitution for the 2014 Note so lost, destroyed or stolen (or if any such 2014 Note shall have matured or shall be about to mature, instead of issuing a substitute 2014 Note, the Fiscal Agent may pay the same without surrender thereof). The Fiscal Agent may require payment by the registered owner of a 2014 Note of a sum not exceeding the actual cost of preparing each new 2014 Note issued pursuant to this paragraph and of the expenses which may be incurred by the County and the Fiscal Agent. Any 2014 Note issued under these provisions in lieu of any 2014 Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County whether or not the 2014 Note so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Supplemental Resolution with all other 2014 Notes issued under this Supplemental Resolution.

All 2014 Notes surrendered for payment or registration of transfer, if surrendered to any person other than the Fiscal Agent, shall be delivered to the Fiscal Agent and shall be promptly cancelled by it. The County may at any time deliver to the Fiscal Agent for cancellation any 2014 Notes previously authenticated and delivered hereunder which the County may have acquired in any manner whatsoever, and all 2014 Notes so delivered shall promptly be

cancelled by the Fiscal Agent. No 2014 Note shall be authenticated in lieu of or in exchange for any 2014 Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled 2014 Notes held by the Fiscal Agent shall be disposed of as directed by the County.

4.08 Defeasance of 2014 Notes. (a) If the County shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Outstanding 2014 Notes the interest and principal thereof at the times and in the manner stipulated herein and therein, then all agreements and covenants of the County to such Holders hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied.

(b) Any Outstanding 2014 Notes shall, prior to the maturity date thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section if there shall have been deposited with the Fiscal Agent in trust either moneys in an amount which shall be sufficient, or Defeasance Securities which are not callable or subject to prepayment prior to their respective maturity dates, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Fiscal Agent at the same time, shall be sufficient (as verified by a report of an independent certified public accountant or other independent financial consultant), to pay when due the principal of and the interest to become due on said 2014 Notes on the maturity date thereof. Neither the securities nor moneys deposited with the Fiscal Agent pursuant to this Section 4.08(b) nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said 2014 Notes. The Fiscal Agent shall have no right, title or interest in, or lien on, any moneys or securities deposited pursuant to this Section.

(c) After the payment or deemed payment of all the interest and principal of all Outstanding 2014 Notes as provided in this Section and payment of any amounts then owed to the Fiscal Agent, the Fiscal Agent shall pay over or deliver to the County all moneys or securities held by it pursuant hereto which are not required for the payment of the interest and principal represented by such 2014 Notes. Owners of 2014 Notes shall thereafter be entitled to payments due under the 2014 Notes only from amounts deposited pursuant to this Section and from no other source.

4.09 Fiscal Agent. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Fiscal Agent for the 2014 Notes. The County hereby directs and authorizes the payment by the Fiscal Agent of the interest on and principal of the 2014 Notes when such become due and payable.

The Fiscal Agent is also appointed as registrar and upon the request of any registered owner, is authorized to record the transfer or exchange of 2014 Notes or the 2014 Series E Notes in accordance with the provisions hereof.

4.10 Official Statement for 2014 Notes. The proposed form of official statement relating to the 2014 Notes, in substantially the form presented to this meeting, is hereby approved with such additions, changes and corrections as the Treasurer and the County Executive Officer and their designees, jointly and severally, may from time to time approve. The Underwriters are hereby authorized to distribute such official statement in preliminary form (the

“Preliminary Official Statement”) to the potential purchasers of the 2014 Notes and are hereby authorized and directed to deliver such official statement in final form to all purchasers of the 2014 Notes. The Treasurer and the County Executive Officer and their designees are, and each of them acting alone is, authorized to certify on behalf of the County that the preliminary form of the official statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by said Rule). The Treasurer and the County Executive Officer and their designees are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the County, to sign a copy of such Official Statement in final form.

4.11 Continuing Disclosure. The County hereby agrees and covenants that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) executed by the County and dated the date of issuance and delivery of the 2014 Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof, and notwithstanding any other provision hereof, failure of the County to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; provided, that any registered owner of the 2014 Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Section.

ARTICLE V

MISCELLANEOUS

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

5.02 Additional Actions. All actions heretofore taken by the officers and agents of the County or the Board of Supervisors with respect to the issuance and sale of the 2014 Series D Notes and the 2014 Series E Notes are hereby approved, confirmed and ratified, and the officers, employees and agents of the County and the Board of Supervisors are hereby authorized and directed, for and in the name and on behalf thereof, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale from time to time of the 2014 Series D Notes and 2014 Series E Notes in accordance with the Master Teeter Resolution and this Supplemental Resolution, including, but not limited to, entering into amendments, if any, to the Fiscal Agent Agreement (including provisions relating to a costs of issuance fund) and DTC Representation Letter.

5.03 Effectiveness; Master Teeter Resolution to Remain in Effect.

(a) This Supplemental Resolution shall become effective immediately upon its adoption. Except as expressly provided in this Supplemental Resolution, every term and condition contained in the Master Teeter Resolution shall apply to this Supplemental Resolution.

and to the additional Demand Obligations and 2014 Series D Notes and 2014 Series E Notes authorized hereby, with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Resolution.

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

5.04 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the County shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of any of the Demand Obligations or any of the 2014 Series D Notes or 2014 Series E Notes authorized hereby, and the Holders shall retain all the benefit, protection and security afforded to them hereunder or any applicable provisions of law.

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

PASSED and ADOPTED by the Board of Supervisors on September 9, 2014.

By: _____
Chairman of the Board of Supervisors

ATTEST:
Clerk of the Board

By: _____
Deputy Clerk

EXHIBIT A

FORM OF 2014 SERIES D NOTE

No. _____

\$ _____

**COUNTY OF RIVERSIDE TEETER PLAN OBLIGATION NOTE,
2014 SERIES D (TAX-EXEMPT)**

NOTE DATE	MATURITY DATE	INTEREST RATE	CUSIP
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REGISTERED OWNER:

PRINCIPAL AMOUNT:

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

This Note is one of a duly authorized issue of Teeter Plan Obligation Notes, 2014 Series D (Tax-Exempt) of the County issued under and pursuant to the Resolution. The 2014 Series D Notes are payable from General Fund and are secured by Series B Taxes as defined in the Resolution. By acceptance of this Note, the Holder consents to all the terms and conditions hereof, and of the Resolution, a copy of which is on file with the County.

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

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

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

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

COUNTY OF RIVERSIDE

By _____
County Executive Officer

(SEAL)

COUNTERSIGNED:

Clerk of the Board of Supervisors

EXHIBIT B

FORM OF 2014 SERIES E NOTE

No. _____

\$ _____

**COUNTY OF RIVERSIDE TEETER PLAN OBLIGATION NOTE,
2014 SERIES E (TAXABLE)**

**DATE OF
ORIGINAL ISSUE**

**MATURITY
DATE**

**INTEREST
RATE**

REGISTERED OWNER:

PRINCIPAL AMOUNT:

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

This Note is one of a duly authorized issue of Teeter Plan Obligation Notes, 2014 Series E (Taxable) of the County issued under and pursuant to the Resolution. The 2014 Series E Notes are payable from General Fund and are secured by Series B Taxes as defined in the Resolution. By acceptance of this Note, the Holder consents to all the terms and conditions hereof, and of the Resolution, a copy of which is on file with the County.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed in due time, form and manner as required by law.

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

COUNTY OF RIVERSIDE

By _____
County Executive Officer

(SEAL)

COUNTERSIGNED:

Clerk of the Board of Supervisors