

FORM APPROVED COUNTY COUNSEL  
BY: GREGORY P. PRIAMOS  
DATE

Departmental Concurrence

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

933



**SUBMITTAL DATE:**  
May 07, 2015

**FROM:** Executive Office

**SUBJECT:** Fiscal Year 2015-2016 Tax and Revenue Anticipation Notes. [\$653,600 interest]; 100% County General Fund (Vote on Separately)

**RECOMMENDED MOTION:** That the Board of Supervisors:  
1. Approve and adopt Resolution 2015-126 authorizing and approving the borrowing of funds for fiscal year 2015-2016 and the issuance and sale of the Fiscal Year 2015-2016 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 2015-2016 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.

*Lani Sioson*  
Lani Sioson

Principal Management Analyst

(Continued)

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 653,600	\$	\$ 653,600	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
SOURCE OF FUNDS: 100% General Fund				Budget Adjustment:	No
				For Fiscal Year:	2015-16

**C.E.O. RECOMMENDATION:**

APPROVE

County Executive Office Signature

BY: *Ivan Chand*  
Ivan Chand

5/11/2015

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Prev. Agn. Ref.: 5/20/14

District: ALL

Agenda Number:

3-3

**BACKGROUND:**

**Summary (continued)**

PARC recommended the prepayment of the CALPERS contribution for the last 9 years and recommends the prepayment of the FY15-16 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 0.26% 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 2015-16 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 2015-16 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. 2015-126

**RESOLUTION AUTHORIZING AND APPROVING THE BORROWING  
OF FUNDS FOR FISCAL YEAR 2015-2016; THE ISSUANCE AND SALE  
OF A 2015-2016 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, 2016 ("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 5/6/15  
DATE: DALE A. GARDNER

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 “2015 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.

29 **Section 3. Form of Note.** The Note shall be issued in fully registered form  
30 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  
10 approval to be conclusively evidenced by his or her execution and delivery thereof; *provided,*  
11 *however,* that the interest rate on the Note shall not exceed 12% per annum, and that the  
12 Underwriter's discount on the Note shall not exceed 0.05% of the Principal Amount actually  
13 issued. Delivery of an executed copy of the Purchase Agreement by fax or telecopy shall be  
14 deemed effective upon execution and delivery for all purposes.

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

21 **Section 5. Official Statement.** The proposed form of preliminary official  
22 statement (the "Preliminary Official Statement") relating to the Note, in substantially the form  
23 presented to this meeting, is hereby approved with such changes, additions, completion and  
24 corrections as any County Officer may approve, and the Underwriter is hereby authorized and  
25 directed to cause to be distributed to prospective bidders the Preliminary Official Statement in  
26 connection with the offering and sale of the Note. Such Preliminary Official Statement, together  
27 with any supplements thereto, shall be in form "deemed final" by the County for purposes of Rule  
28 15c2-12, promulgated by the Securities and Exchange Commission (the "Rule"), unless otherwise  
exempt, but is subject to revision, amendment and completion in a final official statement (the  
"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.

Any one of the County Officers is hereby authorized and directed to provide the  
Financial Advisor or the Underwriter with such information relating to the County as they shall  
reasonably request for inclusion in the Preliminary Official Statement and Official Statement of  
the County. Upon inclusion of the information relating to the County therein, the Preliminary  
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 "2015 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)  
Debt Obligations

24 -- Federal Home Loan Banks (FHL Banks)

Consolidated debt obligation

25 -- Federal National Mortgage Association (FNMA)

Debt obligations

26 Mortgage backed securities (Excluded are stripped mortgage  
27 securities-which are purchased at prices exceeding their principal  
28 amounts).

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

3. Federal Housing Administration debentures.
4. Commercial paper, payable in the United States of America, having original maturities of not more than 92 days and which are rated SP-1 by S&P and MIG-1 by Moody's.
5. Interest bearing demand or time deposits issued by state banks or trust companies, savings and loan associations, federal savings banks or any national banking associations, the deposits of which are insured by the Bank Insurance Fund (BIF) or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation (SAIF) or any successors thereto. These deposits: (a) must be continuously and fully insured by BIF 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.
6. Money market mutual funds or portfolios investing in short-term US Treasury securities rated AAAm or AAAm-G by S&P and Aaa by Moody's.
7. Investment agreements, funding agreements or guaranteed investment contracts approved by the Riverside County Treasurer-Tax Collector with a financial institution rated in one of the two highest rating categories by both Moody's and S&P without regard to plus, minus or numerical notation. Such agreement or contract must contain downgrade covenants providing that in the event of a rating downgrade of the provider below Aa3 by Moodys or AA- by S&P, the agreement or contract shall require the provider to notify the Riverside County Treasurer-Tax Collector in writing of such downgrade within five (5) business days of such downgrade event; thereafter, at the provider's option, the provider shall either (a) assign the agreement or contract and all of its obligations thereunder to a then qualified financial institution acceptable to the Riverside County Treasurer-Tax Collector, or (b) collateralize the agreement or contract with U.S. Treasury or Government Agency securities 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.



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

**Section 7. Source of Payment; Parity Note.** The principal amount of the Note, together with the interest thereon, shall be payable from taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys which are accrued, received or held by the County for the general fund of the County and are provided for or attributable to the Repayment Fiscal Year and which are available for payment of 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.

In order to effect the pledge referenced in the preceding paragraph, the County hereby agrees to the establishment and maintenance of a "2015 Note Payment Account" (herein called the "Payment Account") by the Paying Agent as the responsible agent to maintain such an account until the payment of the principal of the Note and the interest thereon, and the County further agrees to cause to be deposited in the Payment Account from amounts received in the 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  
10 Payment Account of the full amount of Pledged Revenues to be deposited in the Payment  
11 Account from said Unrestricted Revenues in said month, then the amount of any deficiency shall  
12 be satisfied and made up from any other moneys of the County lawfully available for the payment  
13 of the principal of the Note and the interest thereon, as and when such other moneys are received  
14 or are otherwise legally available.

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

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

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

Anything herein to the contrary notwithstanding, the County may at any time  
during the Repayment Fiscal Year issue a Parity Note secured by a first lien and charge on  
Pledged Revenues on a parity with the Note; 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.

**Section 8. Execution of Note.** Any one of the County Officers or any other  
officer designated by the Board shall be authorized to execute the Note by manual or facsimile  
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  
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.

9 (E) Notwithstanding any other provision of this Resolution and so long as the  
10 outstanding Note is registered in the name of Cede & Co. or its registered assigns, the County and  
11 the Paying Agent shall cooperate with Cede & Co. or its registered assigns, as sole registered  
12 owner, in effecting payment of the principal of and interest on the Note by arranging for payment  
13 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.

14 (F) In the case of any transfer pursuant to clause (iii) of subsection (B) of this  
15 Section, any Note may, in accordance with its terms, be transferred or exchanged for a like  
16 aggregate principal amount in authorized denominations, upon the books required to be kept by  
17 the Paying Agent pursuant to the provisions hereof, by the person in whose name it is registered,  
18 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  
other governmental charge required to be paid with respect to such transfer or exchange.

22 (G) The Paying Agent will keep or cause to be kept sufficient books for the  
23 registration and transfer of the Note of each series, which shall at all times be open to inspection  
24 by the County. Upon presentation for such purpose, the Paying Agent shall, under such  
25 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  
final budget and of any subsequent revisions, modifications or amendments thereto and  
(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.

20 (H) There is no action, suit, proceeding, inquiry or investigation, at law or in  
21 equity, before or by any court, arbitrator, governmental or other board, body or official, pending  
22 or, to the best knowledge of the County, threatened against or affecting the County questioning  
the validity of any proceeding taken or to be taken by the County in connection with the Note, the  
Purchase Agreement or this Resolution, or seeking to prohibit, restrain or enjoin the execution,  
delivery or performance by the County of any of the foregoing, or wherein an unfavorable  
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.

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

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

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

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

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

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

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

**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.

29 **Section 15. Approval of Actions.** All actions heretofore taken by the officers  
30 and agents of the County or this Board with respect to the sale and issuance of the Note are  
31 hereby approved, confirmed and ratified, and the County Officers and agents of the County are  
32 hereby authorized and directed, for and in the name and on behalf of the County, to do any and all  
33 things and take any and all actions and execute any and all certificates, agreements and other  
34 documents which they, or any of them, may deem necessary or advisable in order to consummate  
35 the lawful issuance and delivery of the Note in accordance with, and related transactions  
36 contemplated by, this Resolution.

37 **Section 16. Proceedings Constitute Contract.** The provisions of the Note and  
38 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.

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

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

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

The County approves and consents to the appointment of JP Morgan Securities LLC, as senior manager, together with Stifel, Nicolaus & Company, Incorporated, as co-manager, (collectively, the "Underwriter") for the Note.

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

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

**EXHIBIT A**

**FORM OF NOTE**

COUNTY OF RIVERSIDE

2015 TAX AND REVENUE ANTICIPATION NOTE, SERIES \_\_\_\_<sup>\*/</sup>

<u>Interest Rate</u> %	<u>Maturity Date</u>	<u>Date of Original Issue</u> July __, 2015
<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) <sup>**/</sup>

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

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

<sup>\*/</sup> If more than one Series is issued in the Repayment Fiscal Year.

<sup>\*\*/</sup> 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  
acceptance hereof, assents and agrees.

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

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

16           It is hereby certified that all of the conditions, things and acts required to exist, to  
17 have happened and to have been performed precedent to and in the issuance of this Note do exist,  
18 have happened and have been performed in due time, form and manner as required by the  
19 Constitution and statutes of the State of California and that the amount of this Note, together with  
20 all other indebtedness of the County, does not exceed any limit prescribed by the Constitution or  
21 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**  
**2015-2016 TAX AND REVENUE**  
**ANTICIPATION NOTES**

**CONTRACT OF PURCHASE**

June \_\_, 2015

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 Stifel, Nicolaus & Company, Incorporated (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 2015-2016 Tax and Revenue Anticipation Notes 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 June \_\_, 2016. 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 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 \_\_, 2015 (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, 2015 (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, fiduciary, financial advisor or municipal advisor 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, (iv) the Underwriters have financial and other interests that differ from those of the County and (v) 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 \_\_, 2015, 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 any 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 2015-16, as set forth in the Resolution.

(q) The County's Comprehensive Annual Financial Report (CAFR) as of June 30, 2014, 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, 2014, 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) (a) on [[January 31, 2016]], an amount equal to 60% of the principal amount of and interest on the Note at maturity from unrestricted revenues received by the County in [[January 2016]]; and (b) on [[May 31, 2016]], an amount equal to 40% of the principal

amount of and interest on the Note at maturity from unrestricted revenues received by the County in [[May 2016]] (and any amounts received thereafter provided for or attributable to Fiscal Year 2015-16), 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 have been duly executed and delivered by the County and are valid and binding

agreements 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 \_\_, 2015 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) Based upon examinations which we have made and our discussions in conferences with certain officials of the County and others with respect to the Official Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement (including the Appendices attached thereto), nothing has come to our attention which would lead us to believe that the Official Statement (other than financial and statistical data therein and incorporated therein by reference and DTC and its book-entry system, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact 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;