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

ITEM: 3.8
(ID # 22008)
MEETING DATE:
Tuesday, May 23, 2023

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Fiscal Year 2023-24 Tax and Revenue Anticipation Notes, Approve and Adopt Resolution No. 2023-157, Authorizing and Approving the Borrowing of Funds for Fiscal Year 2023-24; the Issuance and Sale of One or More 2023 Tax and Revenue Anticipation Notes; and the Execution and Delivery of Related Documents. All Districts. [$473,318 - Note Proceeds 100%] (VOTE ON SEPARATELY)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and Adopt Resolution No. 2023-157, a Resolution of the Board of Supervisors of the County of Riverside Authorizing and Approving the Borrowing of Funds For Fiscal Year 2023-24; the Issuance and Sale of One or More 2023 Tax And Revenue Anticipation Notes; and the Execution and Delivery of Related Documents.

ACTION:Policy, Separate Vote Required

Don Kent, Director of Finance 5/15/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: May 23, 2023
xc: E.O.

Kimberly A. Rector
Clerk of the Board
By: Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$ 0	$473,318	$473,318	$ 0
NET COUNTY COST	$ 0	$ 0	$ 0	$ 0
SOURCE OF FUNDS: 100% Note Proceeds			For Fiscal Year: 2023-24	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

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

In addition, as a cost savings measure, the County evaluates annually the option of prepaying the unfunded liability portion of its CalPERS pension obligations. The prepayment has occurred for the last 19 years and is recommended again for FY 2023-24. Staff will continue to evaluate the cash-flow benefit of the prepayment up to the pricing of the TRANs. If, at the time of the pricing, there are insufficient savings, the prepayment portion will be removed from the TRANs.

The FY 2023-24 resolution authorizes the issuance of an aggregate amount not-to-exceed $400 million, though the actual amount will likely be less. The large authorization provides flexibility in the event the County and/or State budgets change substantially. The resolution also allows for the issuance of an additional parity note during FY 2023-24, essentially providing for the possibility of having two series with staggered maturities inside of twelve months.

The County's issuance cost for the TRANs will be approximately $350,000, assuming a $360 million note size, with underwriter's compensation of approximately $123,318. Based on current market conditions, the all-in true interest cost for the twelve-month tax-exempt note is estimated at approximately 3.31%. Due to volatility in the financial markets, rates may be higher at the time of sale.

The resolution appoints the law firm of Orrick, Herrington & Sutcliffe LLP as bond counsel to the County, Kutak Rock LLP as disclosure counsel for the notes, Fieldman, Rolapp & Associates, Inc. as municipal advisor, and J.P. Morgan Securities LLC, as senior managing underwriter, together with Samuel A. Ramirez & Co., Inc. as co-manager.

The Debt Advisory Committee, at its May 11, 2023 meeting, reviewed and recommended approval to the Board of Supervisors the issuance of the County of Riverside FY 2023-24 Tax and Revenue Anticipation Notes.

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

Impact on Residents and Businesses

The FY 2023-24 TRANs borrowing will assist the County in managing its financial affairs of the General Fund throughout the course of the year while tax revenues are received periodically, providing for the continuity of services to its residents and businesses.

ATTACHMENTS:

A. Resolution No. 2023-157
B. 2023-24 TRANs Paying Agent Agreement
C. 2023-24 TRANs Note Purchase Agreement
D. Preliminary Official Statement
E. Appendix A

Michael Ambolo

Michael Ambolo, Chief Finance Officer 5/17/2023

Kristine Bell-Valdez

Kristine Bell-Valdez, Supervising Deputy County Counsel 5/17/2023

Board of Supervisors County of Riverside

RESOLUTION NO. 2023-157

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AUTHORIZING AND APPROVING THE BORROWING OF FUNDS FOR FISCAL YEAR 2023-2024; THE ISSUANCE AND SALE OF ONE OR MORE 2023 TAX AND REVENUE ANTICIPATION NOTES; 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 $400,000,000, 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, 2024 ("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

FORM APPROVED COUNTY COUNSEL
BY: MCT 16MAY23
MICHAEL C. THOMAS DATE

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 (other than amounts heretofore pledged by the County for the payment of its Teeter Plan obligations pursuant to Resolution No. 97-203, as such resolution may be amended or supplemented from time to time);

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, U.S. Bank Trust Company, National Association has agreed to act as paying agent (the "Paying Agent") with respect to the Note as provided in this Resolution and as to be provided in a Paying Agent Agreement, by and between the County and the Paying Agent (the "Paying Agent Agreement"), a form of which has been submitted to the Board;

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

WHEREAS, a form of the Preliminary Official Statement describing the Note or Note of a series will be distributed to potential purchasers of the Note of such series by the Underwriter;

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

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

WHEREAS, the County has previously adopted a local debt policy (the "Debt Management Policy") that complies with California Government Code Section 8855(i), and the sale and issuance of the

Note as contemplated by this Resolution is in compliance with the Debt Management Policy;

NOW, THEREFORE, BE IT FOUND, RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors of the County of Riverside ("Board"), in regular session assembled on May 23, 2023, in the meeting room of the Board of Supervisors, located on the first floor of the County Administrative Center, 4080 Lemon Street, Riverside, California 92501, as follows:

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

Section 2. Authorization of Issuance. This Board hereby determines to borrow solely for the purpose of anticipating 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 the Repayment Fiscal Year, by the issuance of a note or notes, pursuant to the provisions of the Act, designated the County's "2023 Tax and Revenue Anticipation Note," with an appropriate series designation if more than one note is issued, each such series to be issued on a tax-exempt or federally taxable basis likewise with an appropriate designation if more than one note is issued (collectively, the "Note" and the "Tax-Exempt Note" and the "Federally Taxable Note" if any, respectively), each to be issued in the form of a fully registered note or notes, in denominations of $5,000 or integral multiples thereof, in a combined amount not to exceed the Principal Amount, to be dated the date of delivery to the initial purchaser thereof, to mature on a date or dates, if more than one note is issued, with or without option of prior redemption at the election of the County, not more than 15 months thereafter on a date indicated on the face thereof and determined in the respective Contract of Purchase (each such date, a "Maturity Date"), and to bear interest, payable on the respective Maturity Date (and if the Maturity Date is more than 12 months from the date of issuance, payable on the interim interest payment date set forth in the respective Contract of Purchase) 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 respective Contract of Purchase and indicated on the face of the respective Note (the "Note Rate"). If the Note of a series is not fully paid at maturity, the unpaid portion thereof shall be deemed outstanding and shall continue to bear interest thereafter until paid. In each case set forth in the preceding two sentences, the obligation of the County with respect to such unpaid Note shall not be a debt or liability of the County prohibited by Article XVI, Section 18 of the California Constitution, and the County shall not be liable thereon except to the extent of any available revenues provided for or attributable to the Repayment Fiscal Year, as provided in Section 7 hereof. Both the principal of and interest on the Note shall be payable in lawful money of the United States of America.

Section 3. Form of Note. The Note shall be issued in fully registered form without coupons and shall be substantially in the form and substance set forth in Exhibit A, as attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures as determined at closing of the Note of a series.

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

The form of instrument, entitled "Paying Agent Agreement," to be dated as of July 1, 2023, in substantially the form presented to this meeting, is hereby approved. Any County Officer is authorized and directed to execute and deliver on behalf of the County an instrument in substantially said form, with such changes therein as such officer executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The form of instrument, entitled "Continuing Disclosure Certificate," to be dated as of its date of execution, in substantially the form presented to this meeting, is hereby approved. Any County

Officer is authorized and directed to execute and deliver on behalf of the County an instrument in substantially said form, with such changes therein as such officer executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Official Statement. The proposed form of preliminary official statement (the "Preliminary Official Statement") relating to the Note, in substantially the form presented to this meeting, is hereby approved with such changes, additions, completion and corrections as any County Officer may approve, and the Underwriter is hereby authorized and directed to cause to be distributed to prospective purchasers a Preliminary Official Statement in connection with the offering and sale of the Note of a series. Such Preliminary Official Statement, together with any supplements thereto, shall be in form "deemed final" by the County for purposes of Rule 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 for each series 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 of each series, for and in the name and on behalf of the County, to deem the applicable Preliminary Official Statement final on behalf of the County, to execute a final Official Statement in substantially the form of the applicable 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 disclosure counsel with such information relating to the County as they shall reasonably request for inclusion in the Preliminary Official Statement and the Official Statement related to any series and any supplements thereto. 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 any Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the County shall promptly notify the Underwriter and the Municipal Advisor.

Section 6. Disposition of Proceeds of Note; Investment. The moneys received from the sale of the Note by the County or by the Paying Agent, for the benefit of the County, shall be transferred as instructed by a County Officer at closing (i) to the County of Riverside Treasurer-Tax Collector for deposit in the County's "2023 Note Proceeds Account" (herein called the "Proceeds Account") which Proceeds Account is hereby established and maintained with the County Treasurer-Tax Collector, (ii) to the proceeds account to be established and maintained by the Paying Agent under the Paying Agent Agreement, and (iii) otherwise as instructed by a County Officer to provide for the payment of costs of issuance of the Note. The moneys received from the sale of the Note deposited in the Proceeds Account may be used and expended by the County for any purpose for which it is authorized to expend funds. In order to effect the pledge of amounts on deposit in the Proceeds Account, which pledge is referenced in Section 7 below, the County hereby agrees to the establishment and maintenance of a "County of Riverside 2023 Tax and Revenue Anticipation Note Proceeds Account" (as an account of the Proceeds 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, into which all or a portion of moneys received from the sale of the Note by the County or by the Paying Agent, for the benefit of the County, may be deposited as directed by the County, including as provided in an investment administration agreement or otherwise, and any such investment shall be for the account and risk of the County. The County shall not be deemed to be relieved of any of its obligations with respect to the Note by reason of such investment of the moneys in its Proceeds Account.

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

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

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest

by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of 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.

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

-- Federal Home Loan Mortgage Corporation (FHLMC)

Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

Debt Obligations

-- Federal Home Loan Banks (FHL Banks)

Consolidated debt obligation

-- Federal National Mortgage Association (FNMA)

Debt obligations

Mortgage backed securities (Excluded are stripped mortgage securities which are purchased at prices exceeding their principal 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 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 Moody's or AA- by S&P, the agreement or contract shall require the provider to notify the 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 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 and must be free and clear of any liens. A downgrade below A3 by Moody's 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.

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-collateralized 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 Paying Agent or the Federal Reserve Bank shall have possession of such obligations; (c) the Paying Agent shall have perfected a first priority security interest in such obligations; and (d) failure to maintain the requisite collateral

percentage will require the Paying Agent 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, except for Unrestricted Revenues 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 "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). 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 "2023 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 respective Contract of Purchase 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 respective Contract of Purchase to the percentage of the principal of and interest due on the Note specified in such Contract of Purchase. 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.

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

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

In the event that moneys in the Payment Account are insufficient to pay the principal of and interest on the Note in full when due, such moneys shall be applied in the following priority: first, to pay interest on the Note and any Parity Note, ratably; and second, to pay principal of the Note and any Parity Note, ratably without preference or priority of any kind, according to the amounts due and payable with respect to such Note and Parity Note. Any moneys remaining in or accruing to the Payment Account after the principal of the Note and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the general fund of the County.

Moneys in the Payment Account shall be invested in Permitted Investments as may be directed by the County, including as provided in an investment administration agreement or otherwise, and any such investment shall be for the account and risk of the County. The County shall not be deemed to be relieved of any of its obligations with respect to the Note by reason of such investment of the moneys in its Payment Account.

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 then outstanding Note; provided that (i) the issuance of any such Parity Note shall not, in and of itself, reduce or impair the rating on the then outstanding Note, (ii) the maturity date of any such Parity Note shall be later than the outstanding Note and (iii) the then outstanding 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.

<u>Section 8</u>. <u>Execution of Note</u>. 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, 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, and the Note shall be authenticated by the manual signature of the Paying Agent. Said officers of the County are hereby authorized to cause the blank spaces of the Note to be filled in as may be appropriate pursuant to the respective Contract of Purchase. In case any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. The Note need not bear the seal of the County, if any.

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

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

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

(i) to any successor of Cede & Co., as nominee of DTC, 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 DTC 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 Officer, 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 substitute another depository for DTC (or its successor) because DTC (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 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 of such series, which the County shall prepare or cause to be prepared, shall be executed by the County and authenticated by the Paying Agent and delivered in such denominations and registered in the names of such persons as specified by 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.

(D) The County and the Paying Agent shall be entitled to treat the person in whose name any Note is registered as the owner thereof for all purposes of this Resolution and for purposes of payment of principal of and interest on such Note, notwithstanding any notice to the contrary received by the Paying Agent or the County; and the County and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise 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.

(E) Notwithstanding any other provision of this Resolution and so long as the outstanding Note is registered in the name of Cede & Co. or its registered assigns, the County and the Paying 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 Note 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 Paying 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 Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount in authorized denominations, upon the books required to be kept by the Paying Agent pursuant to the provisions hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed and in form approved by the Paying Agent.

Whenever any Note shall be surrendered for transfer or exchange, the County shall execute and the Paying Agent shall authenticate and deliver a new Note of authorized 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.

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

(H) If any Note shall become mutilated, the County, at the expense of the owner of such Note, shall execute, and the Paying Agent shall thereupon authenticate and deliver a new 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 Note so surrendered to the Paying Agent shall be cancelled by it and delivered to, or upon the order of, the County. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County and the Paying 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 Paying Agent shall thereupon authenticate, if required, and deliver a new Note of like series, interest rate, tenor and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note shall have matured or shall be about to mature, instead of issuing a substitute Note, the Paying Agent may pay the same without surrender thereof). The Paying Agent may require payment by the registered owner of a Note of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be incurred by the County and the Paying Agent. Any Note issued under these provisions in lieu of any 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 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 Resolution with the Note of any other series secured by this Resolution.

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

Section 10. <u>Representations and Covenants of the County</u>. The County makes the following representations and covenants for the benefit of the holders of the Note:

(A) The County is duly organized and existing under and by virtue of the laws of the State of California and has all necessary power and authority (i) to adopt this Resolution and perform its obligations thereunder, (ii) to enter into and perform its obligations under the Contract of Purchase, 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 Contract of Purchase, 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 County of the other transactions contemplated by this Resolution, except those the County shall obtain or perform prior to or upon the issuance of the Note.

(E) Prior to the issuance of the Note, the County has duly, regularly and properly adopted a recommended budget for the Repayment Fiscal Year setting forth expected revenues and expenditures and has complied with all statutory and regulatory requirements with respect to the adoption of such budget. The County hereby covenants that it shall (i) duly, regularly and properly prepare and adopt its final budget for the Repayment Fiscal Year, (ii) provide to the Municipal 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.

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

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

(H) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending 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 Contract of Purchase 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 Contract of Purchase or this Resolution.

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

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

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

(L) The information contained in the Official Statement (excluding the statements and information under the heading "UNDERWRITING" and under "THE NOTE—Book-Entry-Only System"), as of the time of delivery thereof to the Underwriter and at all times subsequent thereto up to and including the closing, will be true, complete, correct and final in all material respects and will 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.

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

Section 11. Tax Covenants. The County will not take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Note under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Without limiting the generality of the foregoing, the County will not make any use of the proceeds of the Tax-Exempt Note or any other funds of the County which would cause the Tax-Exempt Note to be an "arbitrage bond" within the meaning of Section 148 of the Code, a "private activity bond" within the meaning of Section 141(a) of the Code, or an obligation the interest on which is subject to federal income taxation because it is "federally guaranteed" as provided in Section 149(b) of the Code. The County, with respect to the proceeds of the Tax-Exempt Note, 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 Tax-Exempt Note will be expended no later than the day that is six months after the date of issuance of the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Note.

Section 12. Events of Default and Remedies.

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

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

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

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

(d) A petition is filed against the County under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect and is not dismissed within 30 days after such filing, 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;

(e) The County files a petition in voluntary bankruptcy or seeking 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 right, at their option without any further demand or notice, to take one or any combination of the following remedial steps:

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

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

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

Section 14. Paying Agent. U.S. Bank Trust Company, National Association is hereby appointed as paying agent and registrar for the Note. The County hereby directs and authorizes the payment by the Paying Agent of the interest on and principal of the Note when such become due and payable, from the Payment Account held by the Paying Agent in the name of the County in the manner set forth herein. The County hereby covenants to deposit funds in 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 and if the Maturity Date is more than 12 months from the date of issuance, payable on the interim interest payment date set forth in the respective Contract of Purchase. Payment of the Note shall be in accordance with the terms of the Note and this Resolution.

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

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

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

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

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

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

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

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

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

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

Any modifications or amendment of this Resolution and of the rights and obligations of the County and of the holders of the Note may be made by a Supplemental Resolution, with the written consent of the holders of at least a majority in principal amount of the Note outstanding at the time such consent is given; provided, however, that if such 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 the 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.

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 the 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. The County acknowledges that Disclosure Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters, and that Disclosure 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 the County in this or some other matter. Given the special, limited role of Disclosure 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.

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

The County approves and consents to the appointment of J.P. Morgan Securities LLC, as senior manager, together with Samuel A. Ramirez & Co., Inc., as co-manager (collectively, the "Underwriter") for the Note.

Section 22. California Debt and Investment Advisory Commission Filings. With the passage of this Resolution, the Board hereby certifies that the Debt Management Policy complies with California Government Code Section 8855(i), and that the Note authorized to be issued pursuant to this Resolution is consistent with such policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the County, with respect to the Note or Note of a series issued pursuant to this Resolution, (a) to cause notices of the proposed sale and final sale of the Note or Note of a series to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855, and (b) to check, on behalf of the County, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to California Government Code Section 8855.

Section 23. Electronic Signature. The Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 24. 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.]

ROLL CALL:

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KIMBERLY A. RECTOR, Clerk of said Board

By: Breanna Smith
Deputy

05.23.2023 3.8

EXHIBIT A

FORM OF NOTE

COUNTY OF RIVERSIDE

2023 TAX AND REVENUE ANTICIPATION NOTE, SERIES ___*/

Interest Rate	Maturity Date	Date of Original Issue
%	______ __, 2024	______ __, 2023
First Repayment Month	**Second Repayment Month**	**Third Repayment Month**
__% (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)**/

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 [__________, 20__ and on] the Maturity Date, at the Interest Rate specified above. 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 U.S. Bank Trust Company, National Association, or its successor, as paying agent (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.

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

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

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 (the "Board") duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees.

The principal of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received or accrued by the County for the general fund of the County and are provided for or attributable to the Repayment Fiscal Year, as defined in the Resolution, and which are available for payment thereof. As security for the payment of the principal of and interest on the Note, the County has pledged from Unrestricted Revenues of the County received in the Repayment Months (as defined in the Resolution) identified in the Contract of Purchase (as defined in the Resolution) (and any amounts received thereafter provided for or attributable to the Repayment Fiscal Year) until the amount on deposit in the Payment Account (as defined in the Resolution) in each such month, is equal to the corresponding percentages of principal of and interest due on the Note as set forth in the Contract of Purchase (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 of or interest on this Note.

In accordance with the Resolution, 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 this Note; provided that (i) the issuance of any such Parity Note shall not, in and of itself, reduce or impair the rating on this Note, (ii) the maturity date of any such Parity Note shall be later than the maturity date of this Note, and (iii) this Note and the Parity Note shall have the same paying agent.

The County and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal 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.

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

Unless this Note is presented by an authorized representative of The Depository Trust Company to the Paying Agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

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

COUNTY OF RIVERSIDE

By: ________________________________

Countersigned

By: ______________________________
Clerk of the Board

CERTIFICATE OF AUTHENTICATION

This is the Note delivered pursuant to the Resolution.

Dated: _________, 20__

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Paying Agent

By: ________________________________
Authorized Officer

PAYING AGENT AGREEMENT

THIS PAYING AGENT AGREEMENT is entered into as of July 1, 2023 (the "**Agreement**"), by and between County of Riverside, California (the "**County**") and U.S. Bank Trust Company, National Association, as paying agent (the "**Paying Agent**"), a national banking association duly organized and operating under the laws of the United States of America.

WHEREAS, the County has duly authorized the sale and issuance of the County of Riverside 2023 Tax and Revenue Anticipation Note (the "**Note**") pursuant to Resolution No. 2023-____ adopted by the County on May 23, 2023 (the "**Resolution**");

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

WHEREAS, the Paying Agent has agreed to act as paying agent and registrar for the Note in accordance with the Resolution and, as Paying Agent, to accept a deposit in the amount of $_________ for payment of certain Costs of Issuance (the "**COI Deposit**") and to disburse payments of Costs of Issuance to various persons, upon instruction;

WHEREAS, the Paying Agent has also agreed to establish and maintain the County of Riverside 2023 Tax and Revenue Anticipation Note Proceeds Account (the "**Proceeds Account**") in accordance with the Resolution;

WHEREAS, the Paying Agent has also agreed to establish and maintain the County of Riverside 2023 Tax and Revenue Anticipation Note Payment Account (the "**Payment Account**") in accordance with the Resolution;

WHEREAS, as to the deposits by the County hereunder of all or a portion of the Proceeds of the Note to the Proceeds Account, for the payment of certain Costs of Issuance, and for the repayment of the Note from the Payment Account, the County shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally; and

WHEREAS, the Paying Agent has full power and authority to perform and serve as Paying Agent for the County in connection with the Note and the payment of the Costs of Issuance;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I
APPOINTMENT OF PAYING AGENT

SECTION 1.01 <u>APPOINTMENT</u>. (a) The County hereby appoints the Paying Agent to serve as Paying Agent with respect to the Note in accordance with, respectively, the Resolution and this Agreement, including, without limitation:

(i) The obligation of the Paying Agent to make payments in respect of principal of and interest on the Note;

(ii) The obligation of the Paying Agent to maintain a register required to be kept by the Paying Agent pursuant to the provisions of the Resolution for the registration and transfer of the Note;

(iii) The obligation of the Paying Agent to make disbursement of the COI Deposit to pay Costs of Issuance, upon receipt of invoices by the Paying Agent; and

(iv) The obligation of the Paying Agent to transfer and exchange the Note; provided that, prior to any transfer of the Note outside the book-entry system, (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Paying Agent all information necessary to allow the Paying Agent to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended, it being acknowledged that the Paying Agent shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(b) By executing and delivering this Agreement, the Paying Agent hereby agrees to perform the duties and responsibilities of the Paying Agent under the Resolution with respect to the Note and hereby accepts its appointment and agrees to serve as Paying Agent for the Note.

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

ARTICLE II
PROCEEDS ACCOUNT

SECTION 2.01 PROCEEDS ACCOUNT. (a) There is hereby established an account to be known as "County of Riverside 2023 Tax and Revenue Anticipation Note Proceeds Account" (herein called the "Proceeds Account") to be held by the Paying Agent, the deposit to and investment of, and requisition from shall be as directed by the County Executive Office (County Executive Officer or designees which include the Chief Administrative Officer, Chief Finance Officer, or Director of Finance) (each, an "**Authorized Officer**") and as provided below.

(b) The proceeds received from the sale of the Note are to be deposited in the following funds in the following amounts: $_______ in the Costs of Issuance Account and $__________ in the Proceeds Account.

(c) All money in the Proceeds Account shall be held by the Paying Agent in trust. The Paying Agent shall establish a subaccount in the Proceeds Account for any Parity Note. Funds in the Proceeds Account shall be credited to the proceeds subaccount attributable to the applicable Note series, as may be subsequently set forth in the applicable County Resolution with respect to any additional parity note (the "**Parity Note**") during the Repayment Fiscal Year.

(d) Moneys in the Proceeds Account shall be invested in Permitted Investments as may be directed by the County, including as provided in an investment administration agreement or otherwise, and any such investment shall be for the account and risk of the County.

(e) Moneys in the Proceeds Account, and each proceeds subaccount, if any, shall be disbursed from time to time by the Paying Agent to the County up to, but excluding, (i) the first day (or, with respect to any Parity Note, such other day as set forth in the County Resolution applicable to the corresponding Parity Note) of the last Repayment Month applicable to such Note or Parity Note (Repayment Month as defined in the respective Resolution and the last Repayment Month as indicated on the face of such respective Note or Parity Note), or (ii) if only one Repayment Month is applicable to such Note or Parity Note, the first day of such Repayment Month (or, with respect to any Parity Note, such other day as set forth in the County Resolution applicable to the corresponding Parity Note), as soon as practical, pursuant to a Requisition of the County in substantially the form set forth as Exhibit B hereto, submitted in advance of the requested disbursement date (Electronic Means (as defined below), hand delivery or mail), as required to comply with the disbursement provisions of the applicable Permitted Investment, for any purpose for which the County is authorized to use and expend moneys; provided, however, that the Paying Agent shall not disburse any moneys from the Proceeds Account or a proceeds subaccount if it has received written notice or actual knowledge that an Event of Default has occurred and is continuing as defined in the Resolution.

(f) Payments made by the County with respect to Note or Parity Note, respectively, prior to the first day of the first Repayment Month (as defined in the respective such Resolution and indicated on the face of each Note or Parity Note) for such Note or Parity Note shall be credited to the proceeds subaccount related to such Note or Parity Note and, except as otherwise specifically provided herein, shall be available for further disbursement to that County from time to time; provided, however, if the County has issued more than one Note or Parity Note, that payments made with respect to a Note or Parity Note prior to the first day of the first Repayment Month of such Note or Parity Note, shall, to the extent of any deficiency with respect to payments due on any other Note or Parity Note in any Repayment Month applicable to such other Note or Parity Note, be applied to such deficiency and deposited in the Payment Account(s) attributable to such other Note or Parity Note in accordance with the Resolution, and such amount shall not be available for further disbursement to County.

(g) [The Paying Agent shall not allow the County to deposit into the Proceeds Account and any proceeds subaccount attributable to a Note or Parity Note, respectively, an amount that exceeds the aggregate unreplenished withdrawals from such account or subaccount.]

(h) [The Paying Agent shall transfer from each proceeds subaccount attributable to a Note or Parity Note to the corresponding subaccount of the Payment Account attributable to such Note or Parity Note, taking into consideration investment earnings as reviewed with the County anticipated to be received by the principal and/or interest payment date applicable to such respective Note or Parity Note:

(i) on the first day of each Repayment Month designated on the face of such Note or Parity Note (or, with respect to any Parity Note, such other day as set forth as the respective date of each Repayment Month designated on the face of such Note or Parity Note), up to, but excluding, the last Repayment Month, amounts which are equal to the percentages of the principal and interest due to be paid in each such Repayment Month with respect to the respective Note or Parity Note as designated on the face of such respective Note or Parity Note; and

(ii) on the first day of the last Repayment Month applicable to such Note or Parity Note (or, with respect to any Parity Note, such other day as set forth as the respective date of each Repayment Month designated on the face of such Note or Parity Note), or, if only one Repayment Month is applicable to such Note or Parity Note, on the first day of such Repayment Month (or, with respect to any Parity Note, such other day as set forth as the respective date of each Repayment Month designated on the face of such Note or Parity Note), the total amount, if any, remaining in the corresponding proceeds subaccount attributable to such Note or Parity Note.]

(i) [If on the first day of the first (or single) Repayment Month applicable to such Note or Parity Note (or, with respect to any Parity Note, such other day as set forth in the County Resolution applicable to the corresponding Parity Note), the amount in the related proceeds subaccount is less than the aggregate amount required to be transferred pursuant to clause (i) above, the Paying Agent shall transfer the entire amount in such proceeds subaccount to the corresponding Payment Account on such day. Any amounts remaining in each proceeds subaccount of the Proceeds Account attributable to such Note or Parity Note, shall be returned to the County after the last day of the last Repayment Month applicable to such Note or Parity Note.]

ARTICLE III
COSTS OF ISSUANCE ACCOUNT

SECTION 3.01 COSTS OF ISSUANCE ACCOUNT. There is hereby established an account to be known as "County of Riverside 2023 Tax and Revenue Anticipation Note Costs of Issuance Account" (herein called the "Costs of Issuance Account") to be held by the Paying Agent, into which the County shall cause to be deposited the COI Deposit. The Paying Agent shall establish a subaccount in the Costs of Issuance Account for any Parity Note. Funds in the Costs of Issuance Account shall be credited to the Costs of Issuance Subaccount attributable to the applicable Note series, as may be subsequently set forth in the applicable County Resolution with respect to any Parity Note during the Repayment Fiscal Year.

ARTICLE IV
PAYMENT ACCOUNT

SECTION 4.01 PAYMENT ACCOUNT. (a) There is hereby established an account to be known as "County of Riverside 2023 Tax and Revenue Anticipation Note Payment Account" (herein called the "Payment Account") to be held by the Paying Agent, into which the County shall cause to be deposited from amounts received in the 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 to the percentage of the principal of and interest due on the Note and any Parity Note. All money in the Payment Account shall be held by the Paying Agent in trust.

(b) Moneys in the Payment Account shall be invested in Permitted Investments as may be directed by the County, including as provided in an investment administration agreement or otherwise, and any such investment shall be for the account and risk of the County including, without limitation, the Pooled Investment Fund maintained by the County Treasurer-Tax Collector.

ARTICLE V
DUTIES OF PAYING AGENT

SECTION 5.01 DUTIES OF PAYING AGENT. (a) The Paying Agent shall pay from the COI Deposit held in the Costs of Issuance Account those Costs of Issuance for which the Paying Agent has received a written invoice; provided that (i) each payee is listed as entitled to payment of Costs of Issuance on Exhibit A to this Agreement, (ii) the amount paid shall not exceed the amount set forth with respect to such payee in Exhibit A and (iii) amounts on deposit in the Costs of Issuance Account are sufficient to cover such payment.

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

(c) The Paying Agent shall invest all cash in the Costs of Issuance Account as directed in writing by the County from time to time.

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

(e) The Paying Agent shall invest all cash in the Proceeds Account and the Payment Account each as directed in writing by the County from time to time. Any earnings in the Proceeds Account and the Payment Account shall remain in each respective account, until such account is closed.

(f) In addition to the Proceeds Account and the Payment Account established by the Paying Agent in accordance with the Resolution and the Costs of Issuance Account established hereunder, the Paying Agent may establish one or more temporary accounts to facilitate the receipt and transfer of proceeds of the Note.

(g) The Paying Agent shall not be responsible for any investment losses which may occur. The Paying Agent shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written investment direction from the County. The County acknowledges that regulations of the Comptroller of the Currency grant the County the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the County specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Paying Agent that no brokerage confirmations need be sent relating to the security transactions as they occur. The Paying Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by the County.

(h) The Paying Agent shall (i) authenticate the Note to be issued in fully registered form, registered in the name of Cede & Co, and numbered as the Paying Agent shall determine, (ii) receive the proceeds of sale of the Note, account for the receipt of such proceeds and, as instructed in a written request of an Authorized Officer, deposit a portion of such proceeds upon receipt in the Costs of Issuance Account and (a) transfer the specified portion of such proceeds to the County of Riverside Treasurer-Tax Collector for deposit in the County's 2023 Note Proceeds Account for deposit in the Pooled Investment Fund maintained by the County Treasurer-Tax Collector, and/or (b) deposit the specified portion of such proceeds to the Proceeds Account hereunder, and (iii) have such other duties as assigned to it under the Resolution.

ARTICLE VI
ADDITIONAL PROVISIONS REGARDING THE PAYING AGENT

SECTION 6.01 ADDITIONAL RIGHTS AND DUTIES. The Paying Agent undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof and may conclusively rely on certificates, invoices and requisitions furnished to the Paying Agent. In addition:

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

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

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

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

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

(f) The County shall indemnify, defend and hold harmless the Paying Agent and its officers, directors, employees and agents, from and against and reimburse the Paying Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Paying Agent directly or indirectly relating to, or arising from, claims against the Paying Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Paying Agent's gross negligence or willful misconduct. The provisions of this Section 6.01(f) shall survive the termination of this Agreement or the earlier resignation or removal of the Paying Agent.

(g) The Paying Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Paying Agent Agreement and delivered using Electronic Means ("**Electronic Means**" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Paying Agent, or another method or system specified by the Paying Agent as available for use in connection with its services hereunder); provided, however, that the County shall provide to the Paying Agent an incumbency certificate listing officers with the authority to provide such Instructions ("**Authorized Officers**" herein) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the County whenever a person is to be added or deleted from the listing. If the County elects to give the Paying Agent Instructions using Electronic Means and the Paying Agent in its discretion elects to act upon such Instructions, the Paying Agent's understanding of such Instructions shall be deemed controlling. The County understands and agrees that the Paying Agent cannot determine the identity of the actual sender of such Instructions and that the Paying Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Paying Agent have been sent by such Authorized Officer. The County shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Paying Agent and that the County and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the County. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The County agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Paying Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the County; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Paying Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 6.02 MONEY HELD BY PAYING AGENT. The Paying Agent shall (a) have such duties as assigned to it under the Resolution including, without limitation, with respect to the establishment, maintenance and investment of the Proceeds Account and the Payment Account in accordance with the Resolution and the Investment Administration Agreement entered into concurrently with this Agreement, and (b) hold the COI Deposit in the Costs of Issuance Account to be held in a fiduciary capacity for the payment of Costs of Issuance and invest and remit funds therein as directed. Payments made from the Costs of Issuance Account shall be made by check or wire transfer drawn on such trust account.

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

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

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.01 AMENDMENT. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

SECTION 7.02 ASSIGNMENT. This Agreement may not be assigned by either party without prior written consent of the other, provided, however, that no such prior consent is required for an assignment by the Paying Agent if such assignment is to a successor by operation of law or in connection with a merger, consolidation, conversion or sale of all or substantially all of the Paying Agent's corporate trust business.

SECTION 7.03 NOTICES. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the County or the Paying Agent shall be mailed or delivered to the following addresses:

To the Paying Agent at:

U.S. Bank Trust Company, National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attn: Ashraf Almurdaah
Tel: (213) 615-6002
Fax: (213) 615-6199

To the County at:

County of Riverside
Executive Office
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Attn: Don Kent, Director of Finance

SECTION 7.04 SUCCESSORS AND ASSIGNS. All covenants and agreements herein by the County shall bind its successors and assigns, whether so expressed or not.

SECTION 7.05 SEVERABILITY. In case any provision herein shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 7.06 BENEFITS OF AGREEMENT. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

SECTION 7.07 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto relative to the Paying Agent acting in such capacity as agent of the County.

SECTION 7.08 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

SECTION 7.09 ELECTRONIC SIGNATURES. Each of the parties hereto agrees that the transaction consisting of this Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Agreement using an electronic signature, it is signing, adopting and accepting this Agreement and that signing this Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Agreement in a usable format.

SECTION 7.10 TERMINATION. This Agreement will terminate on the date that the Note is paid in full. This Agreement may be earlier terminated by either party upon 30 days written notice. Upon an early termination of this Agreement, the Paying Agent agrees to promptly transfer and deliver to the County all pertinent records relating to the Costs of Issuance Account, the Proceeds Account, the Payment Account and the Note.

SECTION 7.11 GOVERNING LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Paying Agent

By: ______________________________
Authorized Officer

COUNTY OF RIVERSIDE

By: ______________________________
Don Kent, Director of Finance

EXHIBIT A

SCHEDULE OF COSTS OF ISSUANCE

Issuer's Expenses	Riverside County	$
Issuer's Counsel	County Counsel	
Municipal Advisor	Fieldman Rolapp & Associates, Inc.	
Bond Counsel	Orrick, Herrington & Sutcliffe LLP	
Disclosure Counsel	Kutak Rock LLP	
Rating Agency Fee	Fitch, Inc.	
Rating Agency Fee	S&P Global Ratings	
O.S. Printing	[ImageMaster LLC]	
Paying Agent	U.S. Bank Trust Company, National Association	
Contingencies		
Total		$

EXHIBIT B

FORM OF REQUISITION FROM PROCEEDS ACCOUNT

To: U.S. Bank Trust Company, National Association, as Trustee

Re: County of Riverside 2023 Tax and Revenue Anticipation Note

Requisition No. ____

The undersigned, on behalf of County of Riverside (the "County"), hereby requests payment from the Proceeds Account of the County established with respect to the County of Riverside 2023 Tax and Revenue Anticipation Note, the amount of $_________ [by wire/check (circle one)] for purposes for which the County is authorized to use and expend moneys. If the payment is by wire, please fill in the following information:

Name of Bank:

ABA#:

Account No.

The undersigned hereby certifies as follows:

1. The amount requisitioned hereby together with all other unreplenished withdrawals from all Proceeds Account, (and any subaccount thereof) of the County does not, as of the date hereof, exceed eighty-five percent (85%) of (a) the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys intended as receipts for the general fund of the County and attributable to its fiscal year ending June 30, 2024 ("Repayment Fiscal Year") and which are generally available for the payment of current expenses and other obligations of the County (collectively, "unrestricted revenues") less (b) projected uncollectible unrestricted revenues of the County attributable to such Fiscal Year.

2. The amount requisitioned hereby (a) is for a purpose for which the County is authorized to use and expend funds from the general fund or capital fund of the County, and (b) (if invested under the Investment Agreement) is not being requisitioned for reinvestment in other investments.

3. Other funds of the County are not readily available for expenditure for such purpose with respect to any operating draws.

4. The information contained herein is true and correct as of the date of this Requisition.

5. The representations of the County set forth in Section 10 of the Resolution of the County, providing for the borrowing of funds attributable to its Repayment Fiscal Year and the issuance and sale of one or more Series of County of Riverside 2023 Tax and Revenue Anticipation Notes therefor (the "Resolution") are true and correct in all material respects as though made on and as of this date except to the extent that such representations relate to an earlier date.

6. As of the date hereof, no event has occurred and is continuing which constitutes an Event of Default under the Resolution or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

Dated: __________, 20__. COUNTY OF RIVERSIDE

By: ______________________________
Authorized Officer

$[________]
COUNTY OF RIVERSIDE
2023 TAX AND REVENUE ANTICIPATION NOTE

CONTRACT OF PURCHASE

June [1], 2023

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

Ladies and Gentlemen:

J.P. Morgan Securities LLC, as representative (the "Representative") of itself and Samuel A. Ramirez & Co., Inc. (together, the "Underwriters") offers to enter into this Contract of Purchase (the "Contract of Purchase") with the County of Riverside (the "County"). This offer is made subject to written acceptance by the County prior to 8:59 p.m., Pacific Daylight Time, on the date hereof, and, upon such acceptance, this Contract of Purchase will be binding upon the County and the Underwriters.

J.P. Morgan Securities LLC represents and warrants that it is duly authorized and has been duly authorized by the Underwriters, pursuant to an agreement among underwriters, to execute this Contract of Purchase, to act hereunder on behalf of the Underwriters and to take all actions and to waive any condition or requirement required or permitted to be taken or waived hereunder by the Underwriters. The Underwriters shall not designate any other representative except upon the approval of the County (which approval shall not be unreasonably withheld).

The primary role of the Underwriters, is to purchase the Note (as defined below), for resale to investors, in authorized denominations of $5,000 or integral multiples thereof, in an arm's-length commercial transaction between the County and the Underwriters. Each of the Underwriters have financial and other interests that differ from those of the County.

1. Purchase and Sale of the Note. 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 2023 Tax and Revenue Anticipation Note in the aggregate principal amount of $[________] (the "Note"). The aggregate purchase price to be paid by the Underwriters for the Note shall be $[________], being the principal amount of the Note, plus original issue premium of $[________], and less an Underwriters' discount of $[________].

2. The Note. The Note shall be dated its date of issuance and shall mature on June [28], 2024. The Note is 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 Note will

bear interest at the rate of [____]% per annum, priced to yield [____]% to maturity. The Note 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 Note.

3. Use of Documents. The County has delivered to the Underwriters its Preliminary Official Statement dated [May 24], 2023 (including the cover page, the appendices thereto, and any documents incorporated therein by reference, including as supplemented by any supplements or amendments thereto, 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 the Rule and the rules of the Municipal Securities Rulemaking Board ("MSRB"). The County has approved the distribution by the Underwriters of the Preliminary Official Statement and the Official Statement and the County hereby authorizes the Underwriters to use, in connection with the offer and sale of the Note, 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 Contract of Purchase.

The County will undertake, pursuant to a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), to provide certain financial information on a quarterly basis and notices of the occurrence of certain listed events. 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 Note, the County will enter into the Paying Agent Agreement, dated as of July 1, 2023 (the "Paying Agent Agreement"), by and between County and U.S. Bank Trust Company, National Association, as paying agent and registrar (the "Paying Agent"), a national banking association duly organized and operating under the laws of the United States of America.

4. Establishment of Issue Price. (a) The Representative, on behalf of the Underwriters, agrees to assist the County in establishing the issue price of the Note and shall execute and deliver to the County at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the County and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or the initial offering price to the public of the Note.

(b) [Except as otherwise set forth in Exhibit A attached hereto, the] County will treat the first price at which 10% of the Note (the "10% test") is sold to the public as the issue price of the Note. At or promptly after the execution of this Contract of Purchase, the Representative shall report to the County the price at which the Underwriters have sold to the public the Note. [If at that time the 10% test has not been satisfied for the Note, the Representative agrees to promptly report to the County the price at which the Note has been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the entire principal amount of the Note has been sold or (ii) the 10% test has been satisfied for the Note, provided that, the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the County or Bond Counsel.]

(c) [The Representative confirms that the Underwriters have offered the Note to the public on or before the date of this Contract of Purchase at the offering price (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Contract of Purchase, that the 10% test has not been satisfied with respect to the Note and for which the County and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of the Note as of the sale date as the issue price of the Note (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to the Note, the Underwriters will neither offer nor sell any unsold portion of the Note to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriters have sold at least 10% of the Note to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the County promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of the Note to the public at a price that is no higher than the initial offering price to the public.]

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Note to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the price at which it sells the Note to the public, whether or not the Closing Date (as hereinafter defined) has occurred, until either the portion of the Note allocated to it has been sold or it is notified by the Representative that the 10% test has been satisfied as to the Note, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires.

(B) to promptly notify the Representative of any sales of the Note that, to its knowledge, is made to a purchaser who is a related party to an underwriter participating in the initial sale of the Note to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by an underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Note to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Note to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold portion of the Note allocated to it, whether or not the Closing Date has occurred, until either all of the portion of the Note allocated to it has been sold or it is notified by the Representative or such underwriter or dealer that the 10% test has been satisfied as to the Note, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the underwriter or the dealer and as set forth in the related pricing wires.

(e) The County acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each underwriter to comply with the requirements for establishing the issue price of the Note, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Note, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Note to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Note, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Note, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Note to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Note, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Note, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Note, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Note, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Note, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Note.

(f) The Underwriters acknowledge that sales of the Note or any portion of the Note to any person that is a related party to either of the Underwriters shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" under this Section 4 means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Note to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Note to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Note to the public),

(iii) a purchaser of any of the Note is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Contract of Purchase by all parties.

5. Closing. At 8:00 a.m., Pacific Daylight Time, on July [3], 2023, or at such other time and on such other date as shall have been mutually agreed upon by the County and the Representative (the "Closing Date"), the County will deliver to the Underwriters, through the facilities of DTC, the Note 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 Note and to execute this Contract of Purchase, 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 Note; (ii) the execution and delivery of the Note 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 Note and the Documents will each constitute the valid and legally binding obligation of the County enforceable against the County in accordance with their respective 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 Contract of Purchase 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 Note 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 Representative 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 Contract of Purchase, 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 Preliminary Official Statement and 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 best 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 the Note, the application of the proceeds of the sale of the Note, 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 Note, or the pledge thereof, or in any way contesting the validity of the Note or the Documents, or contesting the powers or authority of the County with respect to the Note or the Documents; or (iii) in which a final adverse decision would (a) materially adversely affect the amount of taxes, income, revenue, cash receipts and other moneys of the County available to pay the Note, (b) materially adversely affect the consummation of the transactions contemplated by the Documents, or (c) 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 Contract of Purchase, the Preliminary Official Statement (excluding information relating to DTC and its book-entry system contained therein and in the information under the caption "UNDERWRITING," as to which no representation is made) did 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, except for information permitted to be omitted therefrom by the Rule.

(h) As of the date hereof, the Official Statement (excluding information relating to DTC and its book-entry system contained therein and the information under the caption

"UNDERWRITING," as to which no representation is made) 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 Representative thereof, and (ii) if in the reasonable opinion of the Representative 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 Representative 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 Note is 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 Representative, 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 Note 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 Preliminary Official Statement and 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 Note in strict conformity with the terms of the Resolution and the Note and it will faithfully observe and perform all of the conditions, covenants and requirements of the Note 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 Representative may reasonably request in order (i) to qualify the Note 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 Representative may designate and (ii) to determine the eligibility of the Note for investment under the laws of such states and other jurisdictions and will, if requested by the Representative, use its best efforts to continue such qualifications in effect so long as required for distribution of the Note; 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 Representative.

(o) The County will enter into the Continuing Disclosure Certificate in order to provide the information required therein. Except as disclosed in the Preliminary Official Statement and 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 Note will be issued only under and within the limits of the Act, and, as such, is a general obligation of the County, but payable only out of unrestricted revenues consisting of taxes, income, revenue (including, but not limited to, revenue from state and federal governments), cash receipts and other moneys to be received by the County attributable to County Fiscal Year 2023-24 and legally available for payment thereof, and are secured by a pledge of said unrestricted revenues, excluding amounts heretofore pledged by the County to the payment of its Teeter Plan obligations issued pursuant to Resolution No. 97-203, as such resolution may be amended and supplemented from time to time, all as more particularly set forth in the Resolution.

(q) The County's Audited Financial Statement for the Fiscal Year ended June 30, 2022 (the "Financial Statements"), as described or set forth, as appropriate, in the Preliminary Official Statement and the Official Statement, is true, complete and correct and fairly presents the financial condition of the County 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, 2022, except as described in the Financial Statements or the Preliminary Official Statement and 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, 2024 an amount equal to 60% of the principal amount of and interest on the Note at maturity from Pledged Revenues received by the County in January 2024; and (b) on May 31, 2024 an amount equal to 40% of the principal amount of and interest on the Note at maturity from Pledged Revenues received by the County in May 2024 (and any Pledged Revenues received thereafter provided for or attributable to Fiscal Year 2023-24), until the amount on deposit in the Payment Account is equal to the percentage of the principal and interest due on the Note. Any such deposit may take into consideration anticipated investment earnings on amounts deposited in the Payment Account to be established in accordance with the Resolution to the Maturity Date. The County will instruct the Paying Agent to invest the amounts in the Payment Account in the County Treasurer's Pooled Investment Fund (a Permitted Investment) pursuant to an investment agreement to be executed by and between the County and the Paying Agent until such amounts are required for the repayment of the Note.

7. <u>Conditions to Obligations of Underwriters at Closing</u>. The Underwriters have entered into this Contract of Purchase 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 Note at the Closing is subject to the following further conditions, any or all of which can be waived by the Representative 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 Contract of Purchase, 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 Representative; (ii) all actions under the Act which, in the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby for Bond Counsel to deliver their approving opinion in the form set forth as Appendix C to the Official Statement, 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 Contract of Purchase 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 Preliminary Official Statement and 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 Representative:

(1) An approving opinion of Bond Counsel as to the Note 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 Bond Counsel, addressed to the Underwriters, to the effect that:

(i) the Contract of Purchase and the Paying Agent Agreement have been duly executed and delivered by the County and constitute valid and binding obligations 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 under the captions "THE NOTE" (except for any statements contained under the subcaption "Book-Entry-Only System"), "TAX MATTERS," and contained in "APPENDIX C — PROPOSED FORM OF OPINION OF BOND COUNSEL," excluding any material that may be treated as included under such captions by cross reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Resolution or set out the content of Bond Counsel's approving opinion, are accurate in all material respects; and

(iii) the Note is 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 Preliminary Official Statement and 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 Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement, as of its date and as of the date hereof, or the Official Statement, as of its date and as of the Closing Date (except for information therein with respect to DTC or with respect to any financial, numerical or statistical data, or any estimates, assumptions and expressions of opinion, contained in the Preliminary Official Statement and the Official Statement, including any of the appendices thereto, as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein, in light of the circumstances under which they were made, not misleading in any material respect;

(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 23], 2023 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 the County Counsel's 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 Note, the Contract of Purchase or the Resolution, materially adversely affect the amount of taxes, income, revenue, cash receipts and other moneys of the County available to pay the Note, or in any way contesting the existence of the County or its powers with respect thereto, nor, to the best of the County Counsel's 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 Note, the Contract of Purchase and the Official Statement, such documents have been duly authorized, executed and delivered on behalf of the County, and the Contract of Purchase 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;

(v) To the best of the County Counsel's knowledge, the adoption of the Resolution and the execution and delivery of the Note, the Contract of Purchase 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 Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement (including the Appendices attached thereto), nothing has come to our attention which would lead us to believe that the Preliminary Official Statement or the Official Statement (other than financial and statistical data therein and incorporated therein by reference and DTC and its book entry system, and the information under the caption "UNDERWRITING," as to which no representation 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;

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

(iii) the adoption of the Resolution and the execution and delivery of the Note and the Documents and compliance with the provisions hereof and thereof, under the circumstances contemplated thereby and hereby, do not conflict with or constitute on the part of the County a material breach of or material default under any agreement or other instrument applicable or binding upon the County or any of its properties or any existing law, regulation, court order or consent decree to which the County or any of its properties is subject;

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

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

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

(vii) The Preliminary Official Statement did not contain as of its date and does not contain as of the date hereof any untrue statement of a material fact and did not omit as of its date and does not omit as of the date hereof to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and the Official Statement did not contain as of its date and does not contain as of the Closing Date any untrue statement of a material fact and did not omit as of its date and does not omit as of the Closing Date to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, in each case, that no representation is made as to the information relating to DTC and its book-entry system contained therein and the information under the caption "UNDERWRITING."

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

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

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

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

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

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

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

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

(v) The Paying Agent has authenticated and delivered the Note; and

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

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

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

(10) Evidence from S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") and Fitch Ratings, Inc. ("Fitch") that the Note has been rated "[SP-1+]" and "[F1+]" respectively, and that such ratings continue in effect as of the Closing;

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

(12) An opinion, dated the Closing Date, addressed to the Underwriters, of Nixon Peabody LLP, counsel to the Underwriters, in such form as may be acceptable to the Underwriters; and

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

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

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

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

(ii) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the State, either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Internal Revenue Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the taxation of interest received on obligations of the general character of the Note which, in the reasonable judgment of the Representative, materially adversely affects the market for the Note or the sale, at the contemplated offering price (or yield), by the Underwriters of the Note; or

(iii) an order, decree or injunction of any court of competent jurisdiction, or any order, ruling or regulation of the Securities and Exchange Commission, is issued or made with the purpose or effect of prohibiting the issuance, offering or sale of the Note as contemplated hereby or legislation has been enacted, or a bill favorably reported for adoption, or a decision by any court rendered, or a ruling, regulation, proposed regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter has been made or issued, to the effect that the Note or any other securities of the County or of any similar body of the type contemplated herein are not exempt from the registration, qualification or other requirements of the Securities Act and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect; or

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

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

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

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

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

(ix) any investigation or proceeding is pending or threatened by the Securities and Exchange Commission against the County; or

(x) (i) the federal or State Constitution shall be amended or an amendment shall qualify for the ballot, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of federal or State law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the United States of America or the State by an official, agency or department thereof, affecting the tax status of the County, its property or income, its notes or bonds (including the Note) or the interest thereon, which in the reasonable judgment of the Representative materially and adversely affect the market price or marketability of the Note or the ability of the Underwriters to enforce contracts for the sale of the Note; or; or

(xi) except as disclosed in or contemplated by the Preliminary Official Statement and the Official Statement, any materially adverse change in the financial condition of the County.

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

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

(b) The County has agreed to pay the Underwriters' discount set forth in paragraph 1 of this Contract of Purchase, and inclusive in the expense component of the Underwriters' discount are actual expenses incurred or paid for by the Underwriters on behalf of the County in connection with the marketing, issuance, and delivery of the Note, including, but not limited to, fees and expenses of Underwriters' Counsel, the costs of any Preliminary and Final Blue Sky Memoranda, CUSIP fees, fees of the California Debt and Investment Advisory Commission, and transportation, lodging, and meals for the County's employees and representatives.

11. Notices. Any notice or other communication to be given under this Contract of Purchase (other than the acceptance hereof as specified in the first paragraph hereof) shall be given by telephone or telex, confirmed in writing, or by delivering the same in writing, if to the County, to the address first written above, attention: County Executive Officer, or if to the Underwriters, to the Representative, J.P. Morgan Securities LLC, 2029 Century Park E, Floor 41, Los Angeles, CA 90067, Tyler Old, Executive Director.

12. No Advisor or Fiduciary Role. The County acknowledges and agrees that: (i) the transactions contemplated by this Contract of Purchase are arm's length, commercial transactions between the County and the Underwriters, each Underwriter of which is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the County; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the County with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto irrespective of whether the Underwriters or any of their respective affiliates have provided other services or are currently providing other services to the County on other matters; (iii) the obligations that the Underwriters have to the County with respect to the purchase and sale of the Note are expressly set forth in this Contract of Purchase; and (iv) the County has consulted its own financial and/or

municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate.

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

14. Execution in Counterparts; Electronic Signatures. This Contract of Purchase may be executed in counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. Signatures hereto may be delivered as .pdf signatures delivered by electronic mail.

[Remainder of page intentionally left blank]

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

Very truly yours,

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

By____________________________________
Tyler Old
Executive Director

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

COUNTY OF RIVERSIDE

By____________________________
Jeffrey A. Van Wagenen Jr.
County Executive Officer

EXHIBIT A

ISSUE PRICE CERTIFICATE OF THE UNDERWRITERS

$[__________]
COUNTY OF RIVERSIDE
2023 TAX AND REVENUE ANTICIPATION NOTE

ISSUE PRICE CERTIFICATE

The undersigned, J.P. Morgan Securities LLC (the "Representative"), on behalf of itself and Samuel A. Ramirez & Co., Inc., hereby certifies as set forth below with respect to the sale and issuance of the above-captioned tax and revenue anticipation note (the "Note").

1. ***[10% Test Satisfied][Sale of the Note*** . As of the date of this certificate, the first price at which at least 10% of the Note was sold to the Public is the price listed in Schedule A.]

2. ***[10% Test Not Satisfied][Initial Offering Price of the Note*.**

(a) The Underwriters offered the Note to the Public for purchase at the initial offering price listed in Schedule A (the "Initial Offering Price") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Note is attached to this Certificate as Schedule B.

(b) As set forth in the Contract of Purchase, the Underwriters have agreed in writing that, (i) for the Note, they would neither offer nor sell the Note to any person at a price that is higher than the Initial Offering Price for the Note during the Holding Period for the Note (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold the Note at a price that is higher than the Initial Offering Price for the Note during the Holding Period.]

3. ***Defined Terms*.**

(a) [*Holding Period* means, with respect to the Note, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriters have sold at least 10% of the Note to the Public at a price that is no higher than the Initial Offering Price for the Note.]

(b) *Issuer* means the County of Riverside.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Note to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Note to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Note to the Public).

(e) *[Sale Date* means the first day on which there is a binding contract in writing for the sale of the Note. The Sale Date of the Note is [June __, 2023].]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Note, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Note is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Note. **[If HTOP is used, Ramirez will need to rep as to HTOP separately.]**

J.P. MORGAN SECURITIES LLC, as Representative

By:______________________________________

Name:____________________________________

Dated: July [__], 2023

SCHEDULE A

SALE PRICE OF THE NOTE

(*Attached*)

[SCHEDULE B

PRICING WIRE

(*Attached*)]

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

PRELIMINARY OFFICIAL STATEMENT DATED MAY [24], 2023

NEW ISSUE—BOOK-ENTRY-ONLY

S&P: "[____]"
Fitch: "[____]"
See "RATINGS" herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest with respect to the Note is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. The amount treated as interest on the Note and excluded from gross income may depend upon the taxpayer's election under Internal Revenue Notice 94-84. In the further opinion of Bond Counsel, interest on the Note is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Note included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Note. See "TAX MATTERS" herein.

$360,000,000*
COUNTY OF RIVERSIDE
2023 TAX AND REVENUE ANTICIPATION NOTE
CUSIP®: ________

Dated: Date of Delivery **Coupon: ____%** **Yield: _____%** **Price: _____%** **Due: June 28, 2024**

The County of Riverside 2023 Tax and Revenue Anticipation Note (the "Note") will be issued in fully registered book-entry form only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and will be available to the beneficial owners thereof in the denomination of $5,000 or any multiple thereof under the book-entry system maintained by DTC. Purchasers of the Note or any portion thereof will not receive certificates representing their interests in the Note. Principal of and interest on the Note will be payable only at maturity by U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), by wire transfer to DTC. In accordance with its procedures, DTC will agree to remit such principal and interest to its Participants, which in turn will remit such principal and interest to the Indirect Participants or to the Beneficial Owners of the Note, as more fully described herein. See "APPENDIX E – BOOK-ENTRY-ONLY SYSTEM" attached hereto.

The Note, in accordance with California law, is a general obligation of the County of Riverside (the "County") payable solely from Unrestricted Revenues (as defined herein) of the County consisting of taxes, income, revenue (including, but not limited to, revenue from State and federal governments), cash receipts and other moneys of the County attributable to the County's Fiscal Year 2023-24, commencing July 1, 2023 and ending on June 30, 2024, which are legally available for payment of current expenses and other obligations of the County. The Note is secured by a pledge of such Unrestricted Revenues as more particularly described in this Official Statement, excluding amounts pledged by the County to the payment of the County's Teeter Plan obligations (as defined herein). The Note shall constitute a first lien and charge against such Unrestricted Revenues constituting Pledged Revenues (as defined herein). See "THE NOTE – Security for the Note" herein. To the extent not so paid, the Note shall be paid from any other taxes, income, revenue, cash receipts and other moneys of the County lawfully available therefor. The Resolution (as defined herein) requires the County to set aside and deposit in a special fund (the "Payment Account"), to be established by the Paying Agent, certain amounts from such Pledged Revenues received by the County in those months described herein so that the amount on deposit in the Payment Account on such dates as described herein, taking into consideration anticipated investment earnings thereon to be received by the maturity date, will be, following all such deposits, equal to all of the principal of and interest due on the Note, as more fully described herein.

THE NOTE IS NOT SUBJECT TO REDEMPTION PRIOR TO MATURITY.

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

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

The Note is offered when, as and if issued and delivered, subject to the approval as to its legality of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain additional legal matters will be passed upon for the County by County Counsel, and for the Underwriters by their counsel, Nixon Peabody LLP, Los Angeles, California. It is anticipated that the Note, in definitive form, will be available for delivery through the facilities of DTC on or about July 3, 2023.

J.P. Morgan **Ramirez & Co., Inc.**

Dated: June __, 2023.

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* Preliminary, subject to change.

® CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. CUSIP data provided herein is for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for CGS. Neither the Underwriters nor the County are responsible for the selection or correctness of the CUSIP number set forth herein and no representation is made as to its correctness on the Note or as included herein.

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

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

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

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

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

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

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS FINAL OFFICIAL STATEMENT FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.THE COUNTY MAINTAINS A WEBSITE; HOWEVER, INFORMATION PRESENTED THERE IS NOT A PART OF THIS OFFICIAL STATEMENT AND SHOULD NOT BE RELIED UPON IN MAKING INVESTMENT DECISIONS WITH RESPECT TO THE NOTE.

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

COUNTY OF RIVERSIDE

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

Board of Supervisors

Kevin Jeffries, First District, Chair
Chuck Washington, Third District, Vice Chair
Karen Spiegel, Second District
V. Manuel Perez, Fourth District
Yxstian Gutierrez, Fifth District

County Officials

Jeffrey A. Van Wagenen Jr., County Executive Officer
Matt Jennings, Treasurer-Tax Collector
Ben Benoit, Auditor-Controller
Peter Aldana, Assessor-County Clerk-Recorder
Minh Tran, County Counsel
Don Kent, Director of Finance

SPECIAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Disclosure Counsel

Kutak Rock LLP
Los Angeles, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Paying Agent

U.S. Bank Trust Company, National Association
Los Angeles, California

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OFFICIAL STATEMENT

**$360,000,000*
COUNTY OF RIVERSIDE
2023 TAX AND REVENUE ANTICIPATION NOTE**

INTRODUCTION

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

General

This Official Statement, including the Appendices hereto, has been prepared under the direction of the County of Riverside (the "County"), in order to furnish information with respect to its sale of a tax and revenue anticipation note designated, "County of Riverside 2023 Tax and Revenue Anticipation Note" (the "Note") in the aggregate principal amount of $360,000,000*. The Note was authorized pursuant to the resolution of the County adopted on May 23, 2023 (the "Resolution"), and will be issued in full conformity with the constitution and laws of the State of California (the "State"), including Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the "Act"). The Note is a general obligation of the County payable solely from Unrestricted Revenues (as defined herein) of the County as particularly described herein attributable to its fiscal year commencing on July 1, 2023 and ending on June 30, 2024 ("Fiscal Year 2023-24") and legally available for payment of current expenses and other obligations of the County. The Note is secured by a pledge of such Unrestricted Revenues, excluding amounts pledged by the County to the payment of the County's Teeter Plan obligations. See "THE NOTE—Security for the Note" herein for a description of such Unrestricted Revenues constituting Pledged Revenues (as defined herein), and "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE—SECTION IV—FINANCIAL INFORMATION—Teeter Plan" attached hereto, for a discussion of the County's Teeter Plan obligations. The Note shall constitute a first lien and charge against such Pledged Revenues. Proceeds from the sale of the Note will be used for current General Fund obligations and expenditures, including current expenses and capital expenditures. The Note is being issued 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 (the "General Fund"), and provided for or attributable to its Fiscal Year 2023-24. The Act provides that the County may issue the Note only if the principal of and interest on the Note will not exceed 85% of the estimated moneys legally available for the payment of the Note and the interest thereon.

In the event on the day in a particular month that a deposit to the Payment Account (as defined herein) is required to be made, the County has not received sufficient Pledged Revenues to permit the deposit into the Payment Account of the full amount required to be deposited in the Payment Account in said month, then the amount of any deficiency will be satisfied and made up from any other moneys of the County lawfully available for the payment of the principal of the Note and the interest thereon, as and when such other moneys are received or are otherwise legally available.

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* Preliminary, subject to change.

Forward-Looking Statements

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

THE NOTE

Authority for Issuance

The Note is issued under the authority of the cited provisions of the Act and pursuant to the Resolution (see "INTRODUCTION" above).

Description of the Note

The Note will be issued in the aggregate principal amount of $360,000,000* and will be available to beneficial owners thereof in the denominations of $5,000 or any multiple thereof under the book-entry system maintained by DTC. The Note shall bear interest at the rate and will mature on the date set forth on the cover page hereof. The Note is payable at maturity and interest thereon will be computed on a 30-day month/360-day year basis. The Note is to be delivered as a fully registered Note, without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Note. Purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Principal of and interest on the Note will be payable only at maturity by U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), by wire transfer to DTC.

Purpose of Issue

Issuance of the Note will provide moneys to meet the County's Fiscal Year 2023-24 expenditures, including current expenses and capital expenditures, and the discharge of other obligations or indebtedness of the County.

Proceeds from the sale of the Note will be deposited in and/or transferred to Note Proceeds Accounts to be maintained, respectively, by the County and by the Paying Agent, and such amounts will be applied for current General Fund obligations and expenditures, including current expenses and capital expenditures of the County. Amounts on deposit in such Note Proceeds Accounts shall be invested by or at the direction of the County in Permitted Investments (as defined in the Resolution), which may include the County Treasurer's Pooled Investment Fund (a Permitted Investment), and amounts transferred to the Note Proceeds Account to be maintained by the County will be deposited to the County Treasurer's Pooled Investment Fund for application as described above. Amounts held in the Note Proceeds Account maintained by the Paying Agent will be drawn by Requisitions of the County for application as described above.

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* Preliminary, subject to change.

Security for the Note

The Note and the interest thereon is a general obligation of the County, payable solely 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 and are provided for or attributable to its Fiscal Year 2023-24 and legally available for payment of current expenses and other obligations of the County (collectively "Unrestricted Revenues"). As security for the payment of the principal of and interest on the Note, the Resolution provides for the pledge of all Unrestricted Revenues, except for Unrestricted Revenues 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 "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. See "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE—SECTION IV—FINANCIAL INFORMATION—Teeter Plan" attached hereto, for a discussion of the County's Teeter Plan obligations. The Note shall constitute a first lien and charge against such Pledged Revenues. As security for the payment of the Note, including the interest thereon, the County has covenanted pursuant to the Resolution to set aside:* (a) on January 31, 2024, an amount equal to 60% of the principal amount of and interest on the Note at maturity from said Pledged Revenues received by the County in January 2024; and (b) on May 31, 2024, an amount equal to 40% of the principal amount of and interest on the Note at maturity from said Pledged Revenues received by the County in May 2024. Certain deposits may take into consideration anticipated investment earnings on amounts deposited in Permitted Investments through the maturity date. See "APPENDIX F—FORM OF RESOLUTION" attached hereto. As of the date hereof, the County has met all of its prior obligations to set aside amounts for payment in full of its $360,000,000 County of Riverside 2022 Tax and Revenue Anticipation Note due June 30, 2023.

The County has reserved the right to issue additional notes (each a "Parity Note") during Fiscal Year 2023-24 having a parity lien on the Pledged Revenues, so long as the aggregate principal of and interest on the Note and such additional Parity Notes will not exceed 85% of the estimated moneys legally available for the payment of the Note and such Parity Notes. See "Additional Note Obligations."

Proceeds from the sale of the Note will be used for current General Fund expenditures, including current expenses and capital expenditures. The Act provides that the County may issue the Note only if the principal of and interest on the Note will not exceed 85% of the estimated moneys legally available for the payment of the Note and the interest thereon.

The Pledged Revenues being set aside as described above shall be deposited by the County and held by the Paying Agent, in a special account to be established and maintained by the Paying Agent (the "Payment Account") in accordance with the Resolution and a Paying Agent Agreement, dated as of July 1, 2023 (the "Paying Agent Agreement"), by and between the County and the Paying Agent, and applied as directed under the Resolution. Any money deposited by the Paying Agent in the Payment Account shall be for the benefit of the holders of the Note and, until the Note and all interest thereon are paid or until provision has been made for the payment of the principal of and interest on the Note at maturity, the moneys in the Payment Account shall be applied solely for the purpose of paying the principal of and interest on the Note at its maturity, although such amounts shall be invested by or at the direction of the County in Permitted Investments (as defined in the Resolution). Among such Permitted Investments, the County may instruct the Paying Agent to invest amounts in the Payment Account in the County

* Preliminary, subject to change.

Treasurer's Pooled Investment Fund pursuant to an investment agreement between the Paying Agent and the County until such amounts are required for the repayment of the Note. In the event investment losses cause amounts on deposit in the Payment Account to be insufficient to pay principal of and interest on the Note at maturity, the County is required to use any available Pledged Revenues from Fiscal Year 2023-24 for the payment of principal of and interest on the Note, but there is no guarantee that the County will have sufficient Pledged Revenues to pay the principal of and interest on the Note as the same becomes due. Any moneys placed in the Payment Account shall be for the benefit of the holders of the Note. The moneys in the Payment Account shall be applied only for the purposes for which the Payment Account is created until the principal of the Note and all interest thereon are paid or until provision has been made for such payment. In the event that moneys in the Payment Account are insufficient to pay the principal of and interest on the Note in full when due, such moneys shall be applied in the following priority: first, to pay interest on the Note and any Parity Note, defined herein, ratably; and second, to pay principal of the Note and any Parity Note, ratably without preference or priority or any kind, according to the amounts due with respect to such Note and Parity Note. Any moneys remaining in or accruing to the Payment Account after the principal of the Note and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund.

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

Should the County file for Chapter 9 bankruptcy, a court might hold that the holders of the Note do not have a valid and prior lien on amounts on deposit the Payment Account then invested in the County Treasurer's Pooled Investment Fund. While the County has taken steps to mitigate this risk by retaining the Paying Agent, by entering into a formal investment agreement with the Paying Agent, and by its practice of maintaining separate records of amounts on deposit the Payment Account invested in the Pooled Investment Fund, if the holders of the Note cannot trace the Payment Account funds, they may not be available for payment of principal of and interest on the Note and any Parity Note. There can be no assurance that the holders of the Note will be able to successfully trace such funds in the County Treasurer's Pooled Investment Fund. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Note to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights. For more information regarding the County Treasurer's Pooled Investment Fund, see "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE—SECTION IV—FINANCIAL INFORMATION—County of Riverside Treasurer-Tax Collector's Pooled Investment Fund" attached hereto.

Available Sources of Repayment

The Note, in accordance with the Act, is a general obligation of the County but is payable only out of Pledged Revenues, which include the taxes, income, revenue (including, but not limited to, revenue from State and federal governments), cash receipts and other moneys of the County which are accrued, received or held by the County for the General Fund and are provided for or attributable to Fiscal Year 2023-24 and which are legally available for payment of current expenses and other obligations of the County. The Constitution of the State substantially limits the County's ability to levy ad valorem taxes (see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" herein). The County may, under the Act, issue the Note only if the principal of and interest on the Note will not exceed 85% of the estimated amounts of the County's uncollected taxes, income, revenue (including, but not limited to, revenue from the State and federal governments), cash receipts, and other moneys to be received or accrued by the County for the General Fund and provided for or attributable to Fiscal Year 2023-24, all of which will be legally available to pay principal of and interest on the Note. The County has reserved the right to issue additional tax and revenue anticipation notes during Fiscal Year 2023-24 having a parity lien on the Pledged Revenues, so long as the principal of and interest on the Note and such additional tax and revenue anticipation notes will not exceed 85% of the estimated moneys legally available for the payment of the Note and such additional notes. See "Additional Note Obligations" below and "APPENDIX F—FORM OF RESOLUTION" attached hereto. Further detail as to the estimated Pledged Revenues available for repayment can be found in "Table I, County of Riverside Fiscal Year 2023-24 Projected Unrestricted Revenues Available for Note Repayment," "Table IV, County of Riverside Fiscal Year 2023-24 Projected General Fund Cash Flow," and "Table VII, County of Riverside Alternative and Other Restricted Cash Resources, Actual/Projected." The County may incur indebtedness secured by a pledge of its Pledged Revenues subordinate to the pledge of Pledged Revenues under the Resolution and may issue subordinate tax and revenue anticipation notes. The County currently expects that, other than the Note, it will not issue any tax and revenue anticipation notes, bonds or warrants pursuant to the Act with respect to Fiscal Year 2023-24.

The table below sets forth the source and amount of Fiscal Year 2023-24 projected unrestricted revenues available for repayment of the Note.

TABLE I
County of Riverside
Fiscal Year 2023-24 Projected Unrestricted Revenues
Available for Note Repayment
(in Thousands)

Revenue Source	**Fiscal Year 2023-24 Amount**
Property Taxes	$341,505
Sales and Use Taxes	49,313
Other Taxes	75,179
Licenses and Permits	23,804
Fines, Forfeitures and Penalties	54,247
Revenue from Use of Money and Property	43,933
State Aid	1,733,153
Federal Aid	783,058
Other Government Aid	139,805
Charges for Current Services	627,058
Miscellaneous Revenue	38,363
Other Financing Sources	11,345
Repayment of Advances to Other Funds	63,389
Reimbursement from Departments (CalPERS)	196,890
Interfund Transfers	94,067
Total	**$4,275,109**

Estimated and Projected General Fund Cash Flows

Set forth below in Table II is a detailed summary of the County's actual Fiscal Year 2021-22 General Fund cash flows. Set forth below in Table III is a detailed summary of the County's actual and estimated Fiscal Year 2022-23 General Fund cash flows. Set forth below in Table IV is a detailed summary of the County's projected Fiscal Year 2023-24 General Fund cash flows. Table V provides a comparison between the Fiscal Year 2022-23 original projections of General Fund cash flows and the Fiscal Year 2022-23 actual/estimated General Fund cash flows. Table VI provides a comparison between the Fiscal Year 2022-23 actual/estimated General Fund cash flows and the Fiscal Year 2023-24 projected General Fund cash flows.

The estimated Fiscal Year 2022-23 cash flows and the projected Fiscal Year 2023-24 cash flows, as prepared by the County Auditor-Controller's Office, reflect the best currently available estimates and judgments of the County Auditor-Controller's Office as to the County's revenues and expenditures and the expected financial condition of the County for such fiscal years. The presented projected cash flows assume that all of the County's cash flow requirements are externally funded through the issuance of the Note, but, based on market conditions, the County may determine to borrow internally for a portion of its cash flow needs. On June 12 and 13, 2023, the Board of Supervisors will hold budget hearings on the Fiscal Year 2023-24 Recommended Budget. The presented projected cash flows do not reflect changes to the Fiscal Year 2023-24 Recommended Budget which may arise from such budget hearings. See "SECTION III—BUDGETARY INFORMATION—Fiscal Year 2023-24 Recommended Budget" in Appendix A hereto.

Neither the County's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the estimated Fiscal Year 2022-23 cash flows or the projected Fiscal Year 2023-24 cash flows contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and such parties assume no responsibility for, and disclaim any association with, the estimated Fiscal Year 2022-23 cash flows or the projected Fiscal Year 2023-24 cash flows.

The assumptions and estimates underlying the projected cash flows are uncertain and, though considered reasonable by the management of the County as of the date hereof, are subject to a wide variety of significant business, economic and political risks and uncertainties that could cause actual results to differ materially from those contained in the projected cash flows. Accordingly, there can be no assurance that the projected results are indicative of the future performance of the County or that actual results will not be materially higher or lower than those contained in the projected cash flows. Inclusion of the projected cash flows in this Official Statement should not be regarded as a representation by any person that the results contained in the projected cash flows will be achieved. Basic assumptions underlying these General Fund projections include, but are not limited to, revenues and expenses as set forth in the County's recommended budget and impacts of recommended State budget (including the May revision thereto). For a discussion of the County's budget process, see "APPENDIX A—SECTION III—BUDGETARY INFORMATION—Budgetary Process" attached hereto.

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TABLE II
County of Riverside Fiscal Year 2021-22
Actual General Fund Cash Flow
($ in Thousands)

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	TOTALS
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	
Beginning General Fund Cash Balance	362,608	39,274	(64,949)	(93,883)	(86,298)	(151,988)	(67,836)	50,170	28,718	39,039	(38,691)	312,665	362,608
Receipts													
Property Taxes	-	-	-	15,742	-	81,939	68,237	10,264	2,203	27,313	90,170	9,762	305,630
Sales and Use Taxes	3,308	6,070	3,055	3,147	5,281	3,584	3,593	5,276	3,795	3,049	4,209	3,578	47,945
Other Taxes	1,842	5,130	2,082	3,519	3,047	23,757	2,696	4,548	3,369	3,207	29,615	3,443	86,255
Licenses & Permits	1,349	1,118	1,383	1,392	939	1,507	1,018	1,634	1,227	6,656	1,525	1,371	21,119
Fines, Forfeitures & Penalties	1,188	1,236	1,100	1,258	1,169	1,128	961	2,224	6,914	1,515	1,540	28,208	48,441
Use of Money and Property	605	728	2,248	1,017	609	1,587	829	2,901	3,165	974	1,569	(20,733)	(4,501)
State Aid	60,391	30,355	89,137	63,366	98,626	102,778	277,778	100,420	136,999	95,467	294,624	284,145	1,634,086
Federal Aid	22,859	48,193	61,672	110,370	32,574	66,748	36,600	49,099	68,931	62,619	65,941	86,781	712,387
Other Governmental Aid	-	-	6,423	-	-	86,980	18	15	1,006	8	69,107	10,258	173,815
Charges for Current Services	53,295	19,055	45,748	29,064	34,488	52,179	33,183	37,903	90,868	45,263	37,306	104,622	582,974
Miscellaneous Revenue	1,353	754	2,058	480	1,027	2,180	-	1,954	327	12,885	2,656	8,495	34,169
Other Financing Sources	18	520	179	43	78	40	-	153	89	1,426	5,307	14,333	22,186
COVID-19 Related	3,680	-	23,770	335	-	13,316	-	1,875	1,614	12	-	5,341	49,943
Repayment of Advances to Other Funds	-	-	-	-	12,000	-	13,000	-	7,000	-	-	28,237	60,237
Reimbursement from Departments for CalPERS	8,438	15,640	16,539	16,105	16,168	24,465	16,022	15,379	14,599	14,617	14,647	19,502	192,121
Interfund Transfers	-	57,000	-	-	-	-	-	-	35,000	-	-	-	92,000
Total Receipts	158,326	185,799	255,394	245,838	206,006	462,188	453,935	233,645	377,106	275,011	618,216	587,343	4,058,807
Disbursements													
Salaries & Benefits	144,374	142,063	142,592	142,355	152,182	211,313	156,853	141,761	145,607	154,806	145,691	218,691	1,898,288
Services & Supplies	29,266	35,617	61,292	28,477	55,669	37,782	116,657	36,711	103,759	117,461	37,951	93,267	753,909
Other Charges	56,107	52,694	55,108	62,292	54,038	120,240	54,044	62,769	70,452	64,893	79,096	116,597	848,330
Fixed Assets & Capital Outlay	198	938	748	387	592	1,149	413	2,300	1,294	617	1,542	2,244	12,422
Other Financing Uses	2,229	53	21,209	53	1,114	363	53	724	5,849	11,545	360	21,980	65,532
COVID-19 Related	1,171	1,257	3,379	4,689	8,101	7,189	7,909	10,832	4,824	3,419	2,220	4,824	59,814
Advances to Other Funds	59,837	400	-	-	-	-	-	-	-	-	-	-	60,237
CalPERs Prepayment	188,478	-	-	-	-	-	-	-	-	-	-	-	188,478
Interfund Transfers	-	57,000	-	-	-	-	-	-	35,000	-	-	-	92,000
Total Disbursements	481,660	290,022	284,328	238,253	271,696	378,036	335,929	255,097	366,785	352,741	266,860	457,603	3,979,010
Ending General Fund Cash Balance	39,274	(64,949)	(93,883)	(86,298)	(151,988)	(67,836)	50,170	28,718	39,039	(38,691)	312,665	442,405	442,405
TRANS Borrowing		346,091	346,091	346,091	346,091	346,091	346,091	138,022	138,022	138,022	138,022	(690)	-
Proceeds of Notes	340,000	-	-	-	-	-	-	-	-	-	-	-	340,000
Principal Payment on Note	-	-	-	-	-	-	(204,000)	-	-	-	(136,000)	-	(340,000)
Premium	6,538	-	-	-	-	-	-	-	-	-	-	-	6,538
Interest Expense / Cost of Issuance	(447)	-	-	-	-	-	(4,069)	-	-	-	(2,712)	690	(6,538)
Total TRANs Borrowing	346,091	346,091	346,091	346,091	346,091	346,091	138,022	138,022	138,022	138,022	(690)	-	-
Ending Balance WITH TRANs Borrowing	385,365	281,142	252,208	259,793	194,103	278,255	188,192	166,740	177,061	99,331	311,975	442,405	442,405

Source: County Auditor-Controller

TABLE III
County of Riverside Fiscal Year 2022-23
Actual/Estimated General Fund Cash Flow
($ in Thousands)

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	TOTALS
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Projected	Projected	
Beginning General Fund Cash Balance	442,405	161,988	44,695	(36,775)	(51,855)	(188,573)	14,357	182,400	122,926	40,293	66,977	169,850	442,405
Receipts													
Property Taxes	-	-	-	16,102	-	89,675	84,105	134	5,189	29,829	89,210	8,729	322,973
Sales and Use Taxes	4,012	6,404	4,152	3,793	4,786	3,576	3,806	9,357	3,263	3,178	1,732	1,278	49,337
Other Taxes	1,615	5,487	2,022	1,596	5,098	25,293	2,730	3,260	2,849	2,086	4,516	18,079	74,631
Licenses & Permits	1,254	2,057	1,319	1,175	1,649	1,080	1,607	1,570	1,232	6,304	2,282	1,827	23,356
Fines, Forfeitures & Penalties	1,146	1,041	1,041	1,459	1,188	1,189	1,336	8,842	1,595	1,053	14,152	21,170	55,212
Use of Money and Property	1,339	1,341	928	5,387	1,434	5,507	3,266	3,618	11,517	4,058	501	1,541	40,437
State Aid	43,149	37,821	66,906	117,549	106,993	135,886	304,862	109,877	137,424	169,915	285,478	175,452	1,691,312
Federal Aid	27,053	50,721	46,570	86,183	41,382	96,006	58,089	63,472	45,109	56,894	82,142	116,029	769,650
Other Governmental Aid	-	6,626	-	-	-	74,821	-	-	-	-	-	56,358	137,805
Charges for Current Services	65,461	29,848	67,699	29,073	26,913	46,903	34,273	42,509	58,919	88,663	38,000	94,793	623,054
Miscellaneous Revenue	1,003	1,109	1,080	682	2,362	2,216	1,465	2,825	3,016	14,339	1,771	5,923	37,791
Other Financing Sources	-	32	348	219	64	318	-	1,077	844	(1,197)	-	10,009	11,714
Repayment of Advances to Other Funds	-	-	-	-	18,000	-	-	9,000	6,000	5,500	18,133	5,734	62,367
Reimbursement from Departments for CalPERS	16,352	19,012	18,791	18,892	28,329	19,406	19,863	13,342	13,457	13,548	13,457	11,547	205,996
Interfund Transfers	61,799	-	-	-	-	-	-	-	35,000	-	-	-	96,799
Total Receipts	224,183	161,499	210,856	282,110	238,198	501,876	515,402	268,883	325,414	394,170	551,374	528,469	4,202,434
Disbursements													
Salaries & Benefits	148,548	152,482	152,165	165,929	237,154	162,878	174,314	161,409	162,256	173,255	230,678	148,800	2,069,868
Services & Supplies	26,730	58,730	41,939	73,273	52,657	60,963	24,243	92,518	116,794	116,895	96,502	98,015	859,259
Other Charges	60,352	66,348	58,815	57,488	71,208	73,449	117,898	70,513	108,197	73,007	108,576	49,587	915,438
Fixed Assets & Capital Outlay	1,831	1,032	1,893	500	2,187	958	1,165	1,248	846	1,288	1,495	1,735	16,178
Other Financing Uses	903	-	16,914	-	1,010	698	17,339	2,669	1,455	3,041	11,250	14,016	69,295
Advances to Other Funds	60,240	200	-	-	400	-	-	-	-	-	-	-	60,840
CalPERs Prepayment	205,996	-	-	-	-	-	-	-	-	-	-	-	205,996
Interfund Transfers	-	-	20,600	-	10,300	-	12,400	-	18,499	-	-	35,000	96,799
Total Disbursements	504,600	278,792	292,326	297,190	374,916	298,946	347,359	328,357	408,047	367,486	448,501	347,153	4,293,673
Ending General Fund Cash Balance	161,988	44,695	(36,775)	(51,855)	(188,573)	14,357	182,400	122,926	40,293	66,977	169,850	351,166	351,166
TRANS Borrowing		369,557	369,557	369,557	369,557	369,557	369,557	142,787	142,787	142,787	142,787	(8,392)	-
Proceeds of Notes	360,000	-	-	-	-	-	-	-	-	-	-	-	360,000
Principal Payment on Note	-	-	-	-	-	-	(216,000)	-	-	-	(144,000)	-	(360,000)
Premium	9,892	-	-	-	-	-	-	-	-	-	-	-	9,892
Interest Expense / Cost of Issuance	(335)	-	-	-	-	-	(10,770)	-	-	-	(7,179)	8,392	(9,892)
Total TRANs Borrowing	369,557	369,557	369,557	369,557	369,557	369,557	142,787	142,787	142,787	142,787	(8,392)	-	-
Ending Balance WITH TRANs Borrowing	531,545	414,252	332,782	317,702	180,984	383,914	325,187	265,713	183,080	209,764	161,458	351,166	351,166

Source: County Auditor-Controller

TABLE IV
County of Riverside Fiscal Year 2023-24
Projected General Fund Cash Flow
($ in Thousands)

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	TOTALS
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Beginning General Fund Cash Balance	351,166	68,248	(67,136)	(136,336)	(133,264)	(199,124)	(8,584)	171,129	88,639	42,639	71,677	131,070	351,166
Receipts													
Property Taxes	-	-	-	20,882	-	102,310	83,055	125	6,837	32,804	87,288	8,204	341,505
Sales and Use Taxes	4,110	6,071	4,225	3,930	4,745	3,752	3,121	8,493	2,676	2,606	2,650	2,934	49,313
Other Taxes	1,615	5,487	2,022	1,596	5,098	28,293	2,730	3,260	2,849	1,634	10,516	10,079	75,179
Licenses & Permits	1,267	3,088	1,332	1,187	1,665	1,091	1,623	1,585	1,244	5,572	2,305	1,845	23,804
Fines, Forfeitures & Penalties	1,146	1,041	1,041	1,459	1,188	1,189	1,336	8,842	1,595	88	14,152	21,170	54,247
Use of Money and Property	1,900	1,902	1,375	6,568	2,497	7,693	3,384	3,747	11,885	834	539	1,609	43,933
State Aid	53,415	43,035	77,290	124,167	121,598	136,565	306,386	120,476	158,211	170,726	206,905	214,379	1,733,153
Federal Aid	27,053	53,721	46,570	96,183	91,382	86,006	58,089	43,472	45,109	50,302	99,142	86,029	783,058
Other Governmental Aid	-	6,626	-	-	-	76,821	-	-	-	-	-	56,358	139,805
Charges for Current Services	65,461	29,848	67,699	29,073	36,913	46,903	35,273	44,509	58,919	78,667	38,000	95,793	627,058
Miscellaneous Revenue	1,043	1,569	2,123	709	2,456	2,305	1,523	2,938	3,136	12,439	1,842	6,280	38,363
Other Financing Sources	-	32	348	219	64	318	-	250	90	15	-	10,009	11,345
Repayment of Advances to Other Funds	-	-	8,000	-	6,527	-	7,100	-	8,000	11,145	11,145	11,472	63,389
Reimbursement from Departments for CalPERS	16,408	16,408	16,408	16,408	16,408	16,407	16,407	16,407	16,407	16,407	16,407	16,408	196,890
Interfund Transfers	59,067	-	-	-	10,000	-	-	-	25,000	-	-	-	94,067
Total Receipts	232,485	168,828	228,433	302,381	300,541	509,653	520,027	254,104	341,958	383,239	490,891	542,569	4,275,109
Disbursements													
Salaries & Benefits	164,150	164,150	164,150	164,150	236,426	164,150	164,150	164,150	164,150	164,150	236,426	164,150	2,114,352
Services & Supplies	27,799	61,079	43,617	76,204	54,763	63,402	25,213	86,219	111,466	126,409	111,962	102,136	890,269
Other Charges	61,499	67,609	59,932	58,580	72,562	74,845	120,138	71,853	110,252	60,145	70,639	89,747	917,801
Fixed Assets & Capital Outlay	1,373	774	1,420	375	1,640	718	874	936	635	465	1,121	1,301	11,632
Other Financing Uses	903	-	17,914	-	1,010	698	17,539	2,669	1,455	3,032	11,350	20,016	76,586
Advances to Other Funds	62,789	600	-	-	-	-	-	-	-	-	-	-	63,389
CalPERs Prepayment	196,890	-	-	-	-	-	-	-	-	-	-	-	196,890
Interfund Transfers	-	10,000	10,600	-	-	15,300	12,400	10,767	-	-	-	35,000	94,067
Total Disbursements	515,403	304,212	297,633	299,309	366,401	319,113	340,314	336,594	387,958	354,201	431,498	412,350	4,364,986
Ending General Fund Cash Balance	68,248	(67,136)	(136,336)	(133,264)	(199,124)	(8,584)	171,129	88,639	42,639	71,677	131,070	261,289	261,289
TRANS Borrowing		365,734	365,734	365,734	365,734	365,734	365,734	139,444	139,444	139,444	139,444	(12,016)	-
Proceeds of Notes	360,000	-	-	-	-	-	-	-	-	-	-	-	360,000
Principal Payment on Note	-	-	-	-	-	-	(216,000)	-	-	-	(144,000)	-	(360,000)
Premium	6,192	-	-	-	-	-	-	-	-	-	-	-	6,192
Interest Expense / Cost of Issuance	(458)	-	-	-	-	-	(10,290)	-	-	-	(7,460)	12,016	(6,192)
Total TRANs Borrowing	365,734	365,734	365,734	365,734	365,734	365,734	139,444	139,444	139,444	139,444	(12,016)	-	-
Ending Balance WITH TRANs Borrowing	433,982	298,598	229,398	232,470	166,610	357,150	310,573	228,083	182,083	211,121	119,054	261,289	261,289

Source: County Auditor-Controller

TABLE V
County of Riverside Fiscal Year 2022-23
Comparison between Original Projected General Fund Cash Flows and Actual/Estimated General Fund Cash Flows
($ in Thousands)

	FY 22/23 Projections	FY 22/23 Actual / Revised Projections	$ Over (Under)	% Over (Under)	
Property Taxes	$313,368	$322,973	$9,605	3.1%	
Sales and Use Taxes	45,764	49,337	3,573	7.8	A
Other Taxes	76,348	74,631	(1,717)	-2.2	
Licenses & Permits	22,520	23,356	836	3.7	
Fines, Forfeitures & Penalties	57,653	55,212	(2,441)	-4.2	
Rev from Use of Money and Property	21,874	40,437	18,563	84.9	B
State Aid	1,680,754	1,691,312	10,558	0.6	
Federal Aid	780,730	769,650	(11,080)	-1.4	
Other Governmental Aid	137,710	137,805	95	0.1	
Charges for Current Services	620,194	623,054	2,860	0.5	
Miscellaneous Revenue	36,692	37,791	1,099	3.0	
Other Financing Sources	11,035	11,714	679	6.2	
COVID-19 Related	-	-	-	0.0	
Repayment of Advances to Other Funds	64,326	62,367	(1,959)	-3.0	
Reimbursement from Depts (CalPERS)	205,996	205,996	-	0.0	
Interfund Transfers	97,000	96,799	(201)	0.0	
Total	**$4,171,964**	**$4,202,434**	**$30,470**	**0.7%**	
Salaries and Benefits	$1,947,356	$2,069,868	$122,512	6.3%	C
Services and Supplies	914,343	859,259	(55,084)	-6.0	
Other Charges	920,501	915,438	(5,063)	-0.6	
Fixed Assets and Capital Outlay	11,673	16,178	4,505	38.6	D
Other Financing Uses	70,131	69,295	(836)	-1.2	
COVID-19 Related	-	-	-	0.0	
Advances to Other Funds	62,799	60,840	(1,959)	-3.1	
CalPERS Prepayment	205,996	205,996	-	0.0	
Interfund Transfers	97,000	96,799	(201)	-0.2	
Total	**$4,229,799**	**$4,293,673**	**$63,874**	**1.5%**	

A. Increase in Sales and Use Tax is attributable to inflation, especially in connection with construction materials and general consumer goods.
B. The federal government has been increasing the Federal Funds Rate; therefore, an increase is expected in interest revenue.
C. Increase in Salaries and Benefits is attributable to significant increases in medical benefit subsidies for employees electing two-party or family coverage and increases to minimum and maximum salary ranges to attract and retain County employees.
D. Increase in Fixed Assets and Capital Outlay is attributable to capital improvement projects for the benefit of the Sheriff's Department, including alarm, video and camera system upgrades at various facilities.

Source: County Auditor-Controller

TABLE VI
County of Riverside
Comparison between Fiscal Year 2022-23 Actual/Estimated General Fund Cash Flows and Fiscal Year 2023-24 Projected General Fund Cash Flows
($ in Thousands)

	FY 22/23 Actual / Revised Projections	FY 23/24 Projections	$ Over (Under)	% Over (Under)	
Property Taxes	$322,973	$341,505	$18,532	5.7%	E
Sales and Use Taxes	49,337	49,313	(24)	0.0	
Other Taxes	74,631	75,179	548	0.7	
Licenses & Permits	23,356	23,804	448	1.9	
Fines, Forfeitures & Penalties	55,212	54,247	(965)	-1.7	
Rev from Use of Money and Property	40,437	43,933	3,496	8.6	F
State Aid	1,691,312	1,733,153	41,841	2.5	
Federal Aid	769,650	783,058	13,408	1.7	
Other Governmental Aid	137,805	139,805	2,000	1.5	
Charges for Current Services	623,054	627,058	4,004	0.6	
Miscellaneous Revenue	37,791	38,363	572	1.5	G
Other Financing Sources	11,714	11,345	(369)	-3.2	
COVID-19 Related	-	-	-	0.0	
Repayment of Advances to Other Funds	62,367	63,389	1,022	1.6	
Reimbursement from Depts (CalPERS)	205,996	196,890	(9,106)	-4.4	
Interfund Transfers	96,799	94,067	(2,732)	-2.8	
Total	**$4,202,434**	**$4,275,109**	**$72,675**	**1.7%**	
Salaries and Benefits	$2,069,868	$2,114,352	$44,484	2.1%	
Services and Supplies	859,259	890,269	31,010	3.6	
Other Charges	915,438	917,801	2,363	0.3	
Fixed Assets and Capital Outlay	16,178	11,632	(4,546)	-28.1	H
Other Financing Uses	69,295	76,586	7,291	10.5	
COVID-19 Related	-	-	-	0.0	
Advances to Other Funds	60,840	63,389	2,549	4.2	
CalPERS Prepayment	205,996	196,890	(9,106)	-4.4	
Interfund Transfers	96,799	94,067	(2,732)	-2.8	
Total	**$4,293,673**	**$4,364,986**	**$71,313**	**1.7%**	

E. Increase in Property Taxes is attributable to an expected 7% increase in assessed valuation and additional revenue recognition for supplemental taxes.
F. Increase in Revenue from Use of Money and Property is attributable to Federal Reserve projections suggesting that interest rates are likely to continue to remain elevated during Fiscal Year 2023-24.
G. Increase in Miscellaneous Revenue is attributable to State opioid settlements with pharmaceutical manufacturers.
H. Decrease in Fixed Assets and Capital Outlay is attributable to reduced projected expenditures for building improvements, infrastructure and aircraft equipment.

Source: County Auditor-Controller

Alternative Cash Resources and Other Restricted Cash Resources Available For Repayment of the Note

Alternative cash resources and other restricted cash resources may be available to pay principal and interest on the Note in the event of a shortfall in Pledged Revenues such that Pledged Revenues are insufficient to pay principal and interest on the Note.

California Government Code Section 25252 authorizes the Board of Supervisors of the County to establish and abolish funds necessary for the proper transaction of the business of the County and further provides that the Board of Supervisors may authorize the County Auditor-Controller to perform this function. In addition, California Government Code Section 25252 authorizes the Board of Supervisors to make transfers from one fund to another as the public interest requires and further provides that the Board of Supervisors may by resolution authorize the County Auditor-Controller to make such transfers of money from one fund to another if the Board of Supervisors has authority over each such fund, as the public interest requires. Pursuant to Resolution No. 2010-205, adopted by the Board of Supervisors on August 10, 2010, the Board of Supervisors has authorized the County Auditor-Controller to make temporary transfers of money between those funds under the authority of the Board of Supervisors as the public interest may require.

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

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

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

Fund Type	Fund Purpose	Audited Actual Balance 6/30/22	Actual Balance 5/8/23	Actual/Projected Balance 6/30/23	Projected Balance 6/30/24
Special Revenue	Transportation	199,964	247,967	216,221	208,336
Special Revenue	Flood Control	295,553	295,489	283,667	317,670
Special Revenue	Community Services	115,904	61,651	62,026	69,462
Special Revenue	County Service Areas	39,209	38,659	37,340	41,816
Special Revenue	Other Special Revenue	70,911	104,668	108,792	121,833
Capital Project	Public Facilities	186,956	193,324	186,609	208,978
Capital Project	Crest	6,749	6,704	6,566	7,353
Enterprise	County Service Areas	3,714	3,635	3,615	4,049
Enterprise	Flood Control	7,395	7,872	7,933	8,884
Enterprise	Regional Medical Center	7,060	(55,925)	5,466	6,121
Enterprise	Federally Qualified Health Care Clinics	(5,557)	(4,443)	(3,934)	(3,679)
Enterprise	Transportation (Aviation)	5,076	3,517	3,147	3,525
Enterprise	Waste Resources	139,060	184,173	174,173	170,932
Internal Service	Fleet Services	6,133	3,188	7,524	8,426
Internal Service	Information Services	27,139	25,806	27,538	30,839
Internal Service	Mail Services	405	83	91	102
Internal Service	Supply Services	366	274	265	296
Internal Service	Risk Management	337,819	362,721	386,755	433,116
Internal Service	Flood Control Equipment	4,696	3,835	3,567	3,995
Internal Service	EDA Facilities Management	15,625	19,738	20,292	22,724
Internal Service	Public Safety Enterprise Communication - Sheriff	6,108	5,382	5,678	6,356
Total Alternative Cash Resources		**1,470,285**	**1,508,318**	**1,543,331**	**1,671,134**

Fund Type	Fund Purpose	Audited Actual Balance 6/30/22	Actual Balance 5/8/23	Actual/Projected Balance 6/30/23	Projected Balance 6/30/24
Special Revenue	Perris Valley Cemetery	1,872	1,539	1,560	1,691
Special Revenue	Regional Park and Open Space	16,762	16,055	15,386	16,681
Special Revenue	Air Quality Improvement	1,431	1,719	1,697	1,840
Special Revenue	In-Home Support Services	(256)	(558)	134	145
Special Revenue	Children and Families Commission	43,192	35,227	33,490	30,670
Permanent fund	Perris Valley Cemetery	1,376	2,078	2,093	2,269
Capital Project	Regional Park and Open Space	3,109	46	45	49
Capital Project	Flood Control	19	20	20	18
Enterprise	Housing	15,084	(2,459)	1,005	1,090
Fiduciary	Custodial	295,140	282,858	286,426	291,512
Fiduciary	Private Purpose Trust	72,264	6,363	6,454	6,998
Other Cash Resources of Riverside County		**449,993**	**342,888**	**348,310**	**352,963**

Fund Type	Audited Actual Balance 6/30/22	Actual Balance 5/8/23	Actual/Projected Balance 6/30/23	Projected Balance 6/30/24
Alternative Cash Resources	1,470,285	1,508,318	1,543,331	1,671,134
Other Restricted Cash	449,993	342,888	348,310	352,963
General Fund Unrestricted Cash	442,405	209,764	351,166	261,289
All Riverside County Cash	**2,362,683**	**2,060,970**	**2,242,806**	**2,285,386**

Note: The U.S. Department of the Treasury adopted Interim Final Rule RIN 1505-AC77 which states that both Cares Act Coronavirus Relief and ARP Act Coronavirus Relief funds cannot be used to pay for other debt service costs including tax-anticipation notes. Therefore, both were excluded from this report.
Source: County Auditor-Controller

The County projects that alternative cash resources, General Fund unrestricted cash and other restricted cash resources will total approximately $2.169 billion as of June 30, 2024, the maturity date of the Note. The Board has pre-authorized draws on alterative cash resources referenced above, if necessary to pay debt service of the Note, without the requirement of further Board action. Other restricted cash resources are also available as resources for repayment of the Note, however, further Board action would be required.

Additional Note Obligations

Under the Resolution, the County has reserved the right to issue additional tax and revenue anticipation notes during Fiscal Year 2023-24 having a lien on the Pledged Revenues that is on parity to the lien on the Pledged Revenues securing the then-outstanding Note, so long as the aggregate principal of and interest on the Note and each such additional Parity Note will not exceed 85% of the estimated moneys legally available for the payment of the Note and each such additional Parity Note. A Parity Note may be issued provided that (i) the issuance of any such Parity Note shall not in and of itself reduce or impair the rating on the then outstanding Note, (ii) the maturity date of any such Parity Note shall be later than the then outstanding Note, and (iii) the then-outstanding Note and the Parity Note shall have the same paying agent. In the event that the County issues a Parity Note, the County shall make appropriate deposits into the Payment Account with respect to such Parity Note, and in such event, the Payment Account shall also be held for the benefit of the holders of the Parity Note. The County may incur indebtedness secured by a pledge of its Pledged Revenues subordinate to the pledge of Pledged Revenues under the Resolution and may issue subordinate tax and revenue anticipation notes. See "APPENDIX F—FORM OF RESOLUTION" attached hereto. The County currently expects that, other than the Note, it will not issue any tax and revenue anticipation notes, bonds or warrants pursuant to the Act with respect to Fiscal Year 2023-24.

Sources and Uses of Funds

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

Sources	
Par Amount of Note	
[Original Issue Premium/Discount]	
Total Sources	
Uses	
Deposit to General Fund	
Costs of Issuance*	
Total Uses	

* Includes legal fees, underwriters' discount, printing expenses and other costs of issuance.

Book-Entry-Only System

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

Unless otherwise noted, the information contained in Appendix E hereto has been provided by DTC. The County makes no representations as to the accuracy or completeness of such information. The beneficial owners of the Note should confirm the information contained in Appendix E with DTC, the Direct Participants or the Indirect Participants.

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

THE COUNTY

General

The County was organized in 1893 from territory in San Bernardino and San Diego counties and encompasses 7,177 square miles. The County is bordered on the north by San Bernardino county, on the east by the State of Arizona, on the south by San Diego and Imperial counties and on the west by Orange and San Bernardino counties. The County is the fourth largest county (by area) in the State and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 28 incorporated cities in the County. According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 2,439,234 as of January 1, 2023, reflecting a 0.3% increase over January 1, 2022.

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

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

Economic, demographic and financial information regarding the County is contained herein in "APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE" and "APPENDIX B — THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022" herein. Each contains important information concerning the County and should be read in its entirety.

COVID-19 Pandemic

The spread of the novel strain of coronavirus and the disease it causes (now known as "COVID 19") has among other things, disrupted economies across the world, including those at the national, state, and local levels. The State and County have taken actions designed to mitigate the spread of COVID-19, including the imposition by the State of the Blueprint for a Safer Economy, which provided a tiered framework for restricting and loosening business and social activities based on local COVID-19 risk levels. With widespread vaccination in the United States and many countries worldwide, most of the governmental-imposed restrictions on operations of schools and businesses implemented to respond to and control the outbreak have been eased or eliminated.

In 2020, the County received grants in the total amount of approximately $487 million under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") from the federal government. The funds were placed in a special restricted fund established within the County treasury and may only be accessed for purposes permitted under the CARES Act, which, under current guidelines from the U.S. Department of the Treasury, is limited to necessary expenditures incurred due to the public health emergency with respect to COVID-19. Funds received by the County under the CARES Act are not available for payment of debt service on the Note and cannot be used to backfill County revenue losses related to COVID-19. Administration of the funds is conducted solely through the County's Executive Office with direction from the Board of Supervisors. A portion of the CARES Act funds received by the County are allocable to other governmental units or other entities within the County.

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 ("ARPA") into law, which was intended to combat the COVID-19 pandemic, including the public health and economic impacts. The County's share of ARPA funds is approximately $480 million. The County received approximately $240 million of ARPA funds on May 17, 2021 and received the second installment allocation of ARPA funds in an equal amount on June 6, 2022. On April 27, 2021, the County Executive Office presented to the Board of Supervisors a preliminary, first year allocation recommendation that included funding for economic recovery, housing and homelessness, County departments' response, infrastructure, and nonprofit assistance. The latest update and recommendation was presented to the Board of Supervisors on October 4, 2022, which included the second installment allocation.

In November 2022, the United States Department of the Treasury announced the release of the first round of Local Assistance and Tribal Consistency Fund ("LATCF") payments to eligible counties for Fiscal Years 2022-23 and 2023-24. The fund is a general revenue enhancement program that provides additional assistance to eligible revenue sharing counties and eligible Tribal governments under ARPA. The County was allocated $12 million, of which $6 million has been received. The Department of the Treasury expects to make the second payment in calendar year 2023. The deadline for expenditure of the ARPA funds is December 31, 2026.

In accordance with the Interim Final Rule published by the Department of the Treasury on May 17, 2021 with respect to Coronavirus State and Local Fiscal Recovery Funds, the County cannot allocate the ARPA funds to the payment of principal and interest on the Note. Overall, declines in the County's General Fund discretionary revenue, as well as its Prop 172 Public Safety Sales Tax revenue have not materialized as originally anticipated in 2020. In addition, the County realized $10 million in revenue backfill funds from ARPA in Fiscal Year 2021-22, which was used to fund government services. The County cannot predict any additional adverse impacts the COVID-19 pandemic may have on the County or its financial condition or operations.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

The County is not authorized to levy or collect any specific tax for the repayment of the Note.

Article XIIIA of the State Constitution

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

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster.

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

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

Article XIIIB of the State Constitution

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

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

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

The County's appropriations limit for Fiscal Year 2021-22 was $3,513,980,421 and the amount subject to the limitation was $1,714,623,172. The County's appropriations limit for Fiscal Year 2022-23 is $3,795,098,855 and the amount shown in its budget for that fiscal year as the appropriations subject to limitation is $1,983,006,950.

Right To Vote on Taxes Initiative-Proposition 218

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

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

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

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

Proposition 62

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

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

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

Proposition 1A

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

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

Proposition 22

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

Proposition 26

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

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

Assessment Appeals and Assessor Reductions

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county assessment appeals board (a "Proposition 8" appeal). Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), a county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. In a similar manner, a county assessor may reassert the pre-appeal level of assessed value depending on the county assessor's determination of current value.

In addition to reductions in assessed value resulting from Proposition 8 appeals and general economic conditions, California law also allows assessors to reduce assessed value unilaterally based on a general decline in market value of an area. Although Proposition 8 reductions are temporary and are expected to be eliminated under Proposition 13 if and when market conditions improve, no assurance is given that such reductions will be eliminated. The County has, in prior years, been affected by a reduction in taxable property assessed values due to successful property owner appeals and unilateral reductions by the County Assessor, and may experience additional reductions in the future.

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

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

Assessor-initialized reductions generally represent the bulk of adjustments to the tax roll during a time of a market decline. Cumulatively, assessed valuation in the County declined 11% from Fiscal Year 2007-08 through Fiscal Year 2014-15 due to the County Assessor's proactive reviews. Since Fiscal Year 2014-15 there have been no additional Proposition 8 reductions of significance. Assessed valuation has increased in the County in each Fiscal Year since Fiscal Year 2013-14, and is projected to increase by approximately 7% in Fiscal Year 2023-24 as compared to the prior year. See "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE" attached hereto.

Future Initiatives

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

STATE OF CALIFORNIA BUDGET INFORMATION

The following information concerning the State's budgets has been obtained from publicly available information which the County believes to be reliable; however, the County neither takes any responsibility for nor guarantees the accuracy or completeness thereof. The County has not independently verified such information. Information about the State budget is regularly available at various State-maintained websites. Text of the current and past budgets may be found at the State Department of Finance website. An impartial analysis of the budget is posted by the Legislative Analyst's Office at its website. The information referred to is prepared by the respective State agency maintaining each website and not by the County or the Underwriters, and the County and the Underwriters take no responsibility for the continued accuracy of the internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated herein by these references.

The County relies significantly upon State and federal payments for reimbursement of various costs including certain mandated programs. For Fiscal Year 2022-23, approximately 42.6% of the County's General Fund budget revenues consist of payments from the State and approximately 22.0% consists of payments from the federal government. For Fiscal Year 2023-24, the County projects that approximately 44.4% of its General Fund budget revenues will consist of payments from the State and 22.5% will consist of payments from the federal government. A portion of such amounts constitutes Pledged Revenues. Changes in various federal and State programs and legislation could have a material impact on the County's budget. There can be no assurances that the occurrence of a recession or otherwise declining conditions in the local, State or national economies will not materially adversely affect the financial condition of the County in the future.

For a description of certain potential impacts of the State budget on the finances and operations of the County, see "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE—SECTION III—BUDGETARY INFORMATION" attached hereto.

State Budget for Fiscal Year 2022-23. On June 30, 2022, the Governor signed the State budget for Fiscal Year 2022-23 (the "2022-23 Budget"). The following information is drawn from the State Department of Finance summary of the 2022-23 Budget.

For Fiscal Year 2021-22, the 2022-23 Budget projects total general fund revenues and transfers of $277.1 billion and authorizes expenditures of $242.9 billion. The State is projected to end the 2021-22 fiscal year with total reserves of $46.7 billion, including $18.2 billion in the traditional general fund reserve, $20.3 billion in the Budget Stabilization Account (the "BSA"), $7.3 billion in the Public School System Stabilization Account (the "PSSSA") and $900 million in the Safety Net Reserve Fund. For Fiscal Year 2022-23, the 2022-23 Budget projects total general fund revenues and transfers of $219.7 billion and authorizes expenditures of $234.4 billion. The State is projected to end the 2022-23 fiscal year with total reserves of $37.2 billion, including $3.5 billion in the traditional general fund reserve, $23.3 billion in the BSA, $9.5 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. The 2022-23 Budget includes deposits to the PSSSA of $3.1 billion, $4 billion and $2.2 billion attributable to Fiscal Years 2020-21 through 2022-23, respectively. The balance of $7.1 billion in the PSSSA in Fiscal Year 2021-22 triggers school district reserve caps beginning in Fiscal Year 2022-23.

Information about the State budget and State spending is available at various State maintained websites. Text of the Fiscal Year 2022-23 Budget and other documents related to the State budget may be found at the website of the State Department of Finance, www.dof.ca.gov. A nonpartisan analysis of the budget is posted by the Legislative Analyst's Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov. Neither the County nor the Underwriters can take responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Proposed State Budget for Fiscal Year 2023-24 and May Revision to Proposed Fiscal Year 2023-24 Budget. The Governor released his Proposed 2023-24 State Budget (the "Proposed Fiscal Year 2023-24 Budget") on January 10, 2023. The Proposed Fiscal Year 2023-24 Budget sets forth a budget for Fiscal Year 2023-24. In the Proposed Fiscal Year 2023-24 Budget, the Governor proposes a $297 billion state budget focused on protecting prior investments amidst a revenue shortfall.

The Proposed Fiscal Year 2023-24 Budget is projecting a $22.5 billion budget deficit, which it largely proposes to address with a mix of spending delays, clawing back certain planned spending, and pausing some new spending. In comparison to the 2022 Budget Act, there is a $1 billion increase in budgetary reserves ($34.6 billion for Fiscal Year 2022-23), with $22.4 billion reserved for the Rainy Day Fund (up $1.5 billion from Fiscal Year 2022-23). There are few new programs and funding commitments proposed, in stark contrast to the Governor's previous annual budget proposals. Before accounting for rainy day funds under the Budget Stabilization Act, General Fund revenues are expected to be $29.5 billion lower through Fiscal Year 2023-24. The primary driver of these lower projections is a reduction in personal income tax revenue, which has experienced much weaker cash receipts than originally estimated since adoption of the 2022-23 Budget Act.

The Governor's Proposed Fiscal Year 2023-24 Budget assumes continued, but slow, economic growth without an economic recession but cautions that even a moderate recession could result in significant revenue declines below the budget forecast.

The County is currently evaluating the Proposed Fiscal Year 2023-24 State Budget. The Proposed Fiscal Year 2023-24 State Budget provides for, but is not limited to, the following items applicable to counties:

- Deferring $550 million for broadband for the California Public Utilities Commission (CPUC) for last-mile infrastructure grants from Fiscal Year 2023-24 to future years.
- Sustaining commitment to CalAIM funding, including $6.1 billion over five years for the Behavioral Health Community-Based Continuum Demonstration.
- $215 million annually for CARE Act implementation.
- $2.7 billion to advance critical investments in forest health and fire prevention.
- $202 million in new investments for flood infrastructure, including $25 million for Central Valley flood protection.
- Nearly $116 million allocated for illegal cannabis enforcement.
- $1.4 billion maintained in 2023-24 for Homeless Housing, Assistance and Prevention and Encampment Resolution Funding programs.
- Funding for housing and transportation programs remain at approximately 85% to 90% of the allocations made in the 2022 Budget Act. No reductions are being made to the following housing focused programs:
    - Infill Infrastructure Grant Program
    - State Excess Sites Development

- Adaptive Reuse
- Portfolio Reinvestment Program
- Manufactured Housing Opportunity and Revitalization Program

[TO BE UPDATED WITH SUMMARY OF MAY REVISION WHEN AVAILABLE]

The complete Proposed Fiscal Year 2023-24 Budget and the 2023-24 May Revision are available from the State Department of Finance website at www.dof.ca.gov. Neither the County nor the Underwriters can take responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

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

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

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), Bond Counsel to the County, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Note is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. The amount treated as interest on the Note and excluded from gross income may depend upon the taxpayer's election under Internal Revenue Notice 94-84. In the further opinion of Bond Counsel, interest on the Note is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Note included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Note. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX C—PROPOSED FORM OF OPINION OF BOND COUNSEL."

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

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

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

One of the covenants of the County referred to above requires the County to reasonably and prudently calculate the amount, if any, of excess investment earnings on the proceeds of the Note which must be rebated to the United States, to set aside from lawfully available sources sufficient moneys to pay such amounts and to otherwise do all things necessary and within its power and authority to ensure that interest on the Note is excluded from gross income for federal income tax purposes. Under the Code, if the County spends 100% of the proceeds of the Note within six months after issuance, there is no requirement that there be a rebate of investment profits in order for interest on the Note to be excluded from gross income for federal income tax purposes. The Code also provides that such proceeds are not deemed spent until all other available moneys (less a reasonable working capital reserve) are spent. The County expects to satisfy this expenditure test or, if it fails to do so, to make any required rebate payments from moneys received or accrued during Fiscal Year 2023-24. To the extent that any rebate cannot be paid from such moneys, California law is unclear as to whether such covenant would require the County to pay any such rebate. This would be an issue only if it were determined that the County's calculation of expenditures of Note proceeds or of rebatable arbitrage profits, if any, was incorrect.

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Note to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent holders from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Note. Prospective purchasers of the Note should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

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

Payments on the Note generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate holder of the Note may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Note and the gross proceeds of a sale, exchange, retirement or other disposition of the Note. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain holders of the Note (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LITIGATION

No litigation is pending, or, to the best knowledge of the County, threatened, concerning the validity of the Note or the Resolution, or contesting the County's ability to appropriate or make the repayment of the Note, or materially impacting Pledged Revenues, and an opinion of the Office of County Counsel to that effect will be furnished to the Underwriters at the time of the execution and delivery of the Note. See "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE—SECTION II—SERVICES AND RISK MATTERS—Litigation" attached hereto, for a discussion of the County's pending general litigation.

LEGALITY FOR INVESTMENT

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

UNDERWRITING

The Note is being purchased initially by J.P. Morgan Securities LLC and Samuel A. Ramirez & Co., Inc. (the "Underwriters"), at a price of $____________ (being the par amount of the Note, [plus/minus] an original issue [premium/discount] in the amount of $__________, less the Underwriters' discount of $____________). The Contract of Purchase provides that the obligation to make such purchase is subject to certain terms and conditions.

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

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Note, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase authorized denominations of the Note from JPMS at the original issue price less a negotiated portion of the selling concession applicable to the portion of the Note that such firm sells.

CONTINUING DISCLOSURE

Pursuant to the Resolution, the County has covenanted for the benefit of the owners and beneficial owners of the Note to enter into a Continuing Disclosure Certificate as of the closing date, and to comply with Securities and Exchange Commission Rule 15c2-12(b)(5), as amended (the "Rule"). As provided in the Continuing Disclosure Certificate, the County will covenant to provide information regarding the occurrence of certain enumerated events, and certain financial information on a quarterly basis, to the owners of the Note and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system, or any successor thereto, during the term of the Note. In addition, the County has covenanted to provide updated quarterly cash flow information not later than each Quarterly Report Date, as defined in the Continuing Disclosure Certificate. See "APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Within the last five years, the County and certain of its related entities have failed to comply in certain respects with continuing disclosure obligations related to outstanding indebtedness. The failure to comply fell into three general categories: (i) for Fiscal Year 2017-18 through Fiscal Year 2019-20, failure to provide timely significant event notices, most often with respect to changes in the ratings of outstanding indebtedness, and primarily related to changes in the ratings of various bond insurers insuring the indebtedness of the County or its related entities; (ii) for Fiscal Year 2017-18 through Fiscal Year 2022-23, missing, incomplete or late filing of annual or quarterly reports, budgets or operating information with respect to a number of the bond issues; and (iii) for Fiscal Years 2018-19 through 2021-22, failure to file notice of incurrence of financial obligations. In almost every case with respect to obligations related to the General Fund, such information and reports were available on the County's website and/or available in other continuing disclosure filings made by the County, though not directly incorporated by reference across all prior issues filed with the Municipal Securities Rulemaking Board; and in all of the cases where a notice of failure to file was required to be filed, the County has filed such notices. The County and its related entities have reviewed their previous filings and have made corrective filings where material, including an omnibus corrective notice regarding bond insurer ratings and ratings of the County's General Fund debt.

In order to ensure ongoing compliance by the County and its related entities with their continuing disclosure undertakings, (i) the County has recently performed an evaluation of its policy and operating procedures to strengthen and ensure future compliance and coordination between the County and its related entities which include higher frequency of review as well as enhanced delineation of staff duties; and (ii) the County has continued to contract with a consultant to assist the County in filing accurate, complete and timely disclosure reports. The County will continue its review of its procedures to ensure continued compliance with the Rule.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC and Fitch Ratings, Inc. have assigned ratings of "[____]" and "[____]", respectively, to the Note. Such ratings reflect only the views of such rating agencies, and any explanation of the significance of such ratings should be obtained from each rating agency. Further, there is no assurance that any of the ratings will be retained for any given period of time or that any of the ratings will not be revised or withdrawn entirely by such rating agencies if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the trading value and the market price of the Note.

CERTAIN LEGAL MATTERS

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

Certain legal matters will be passed upon for the County by County Counsel, and for the Underwriters by their counsel, Nixon Peabody LLP. Payment of the fees of Bond Counsel, Disclosure Counsel and Underwriters' Counsel, is contingent upon the issuance of the Note. Underwriters' Counsel has undertaken no responsibility for the accuracy, completeness or fairness of this Official Statement.

MUNICIPAL ADVISOR

The County has retained Fieldman, Rolapp & Associates, Inc., Irvine, California, as Municipal Advisor (the "Municipal Advisor") in connection with the authorization and delivery of the Note. The

Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The fees of the Municipal Advisor are contingent upon the sale, issuance and delivery of the Note.

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

FINANCIAL STATEMENTS

The general purpose financial statements of the County for the fiscal year ended June 30, 2022, which are included in APPENDIX B to this Official Statement, have been audited by Brown Armstrong Accountancy Corporation, independent certified public accountants, as stated in their report appearing in APPENDIX B. Brown Armstrong Accountancy Corporation, has not consented to the inclusion of its report as APPENDIX B and has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Brown Armstrong Accountancy Corporation with respect to any event subsequent to its report dated December 14, 2022. See "APPENDIX B—THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022" attached hereto.

[Remainder of Page Intentionally Left Blank]

MISCELLANEOUS

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

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

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

COUNTY OF RIVERSIDE

By:____________________
Director of Finance

APPENDIX A

INFORMATION REGARDING THE COUNTY OF RIVERSIDE

APPENDIX B

THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Note, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County, proposes to render its final approving opinion with respect to the Note in substantially the following form:

[Date of Delivery]

County of Riverside
Riverside, California

County of Riverside
2023 Tax and Revenue Anticipation Note
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the County of Riverside, California (the "County") in connection with the issuance of the "County of Riverside 2023 Tax and Revenue Anticipation Note" (the "Note"), in the principal amount of $__________, pursuant to a resolution of the Board of Supervisors of the County duly passed and adopted on May 23, 2023 (the "Resolution"), under and by authority of Article 7.6, Chapter 4, Part 1, Division 2 of Title 5 (commencing with Section 53850) of the California Government Code.

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

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the original delivery of the Note on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the original delivery of the Note on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Note has concluded with its issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the County. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Note to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Note, the Resolution and the Tax Certificate, and their enforceability, may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against governmental entities such as the County in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or to have the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Resolution or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Note, and express no opinion or view with respect thereto.

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

1. The Note constitutes the valid and binding obligation of the County.

2. Interest on the Note is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. The amount treated as interest and excluded from gross income may depend upon the taxpayer's election under Internal Revenue Notice 94-84. Interest on the Note is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Note included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Note.

Faithfully yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is entered into by the County of Riverside (the "County") in connection with the issuance by the County of Riverside of its $360,000,000* aggregate principal amount of County of Riverside 2023 Tax and Revenue Anticipation Note (the "Note"). The Note is being issued pursuant to a Resolution adopted by the Board of Supervisors of the County on May 23, 2023 (the "Resolution"). The County covenants and agrees as follows:

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

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

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

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any person appointed in writing by the County to act as the County's agent in complying with the filing requirements of the Rule, which person has accepted such appointment. As of the date of this Certificate, the County has appointed Fieldman, Rolapp & Associates, Inc. as Dissemination Agent.

"*Financial Obligations*" means (i) debt obligations, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, existing or planned debt obligations, or (iii) guarantee of (i) or (ii) above; but excluding municipal securities as to which a final official statement has been provided to MSRB consistent with the Rule.

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

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

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

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

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* Preliminary, subject to change.

"*Quarterly Report Date*" means the due date corresponding to the fiscal quarter end date set forth in the following table:

Fiscal Quarter End Date	**Due Date**
September 30, 2023	December 1, 2023
December 31, 2023	March 1, 2024
March 31, 2024	June 1, 2024

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

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

Section 3. Provision of Reports.

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

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

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

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

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

(d) If the County is unable to provide to the MSRB or the Dissemination Agent (if other than the County), a Quarterly Report by the applicable Quarterly Report Date, the County shall send a notice in a timely manner to the MSRB through the Electronic Municipal Market Access System in substantially the form attached hereto as Exhibit A; provided, however, that, in the event that final information consistent with the requirements of subsection (b) above is not available by the applicable Quarterly Report Date, the Quarterly Report shall contain comparable draft information, and the final Quarterly Report for such period shall be filed in the same manner when it becomes available.

Section 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 4, the County shall give, or cause to be given, notice to the Repository of the occurrence of any of the following events (the "Listed Events") with respect to the Note in a timely manner not in excess of ten (10) business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

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

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

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

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

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

(vii) modifications to the rights of Owners of the Note, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property, if any, securing repayment of the Note, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the County;

(xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the County, if material, or amendment to covenants, events of defaults, remedies, priority rights, or other terms of a Financial Obligation of the County, any of which affect Note holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

(b) Notwithstanding the foregoing, notice of Listed Events described in Subsection (a)(viii) above need not be given under this subsection any earlier than when the notice, if any, of the underlying event is given to Owners of affected Note pursuant to the Resolution.

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

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

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

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

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

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

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

Section 8. Additional Information. Nothing in this Certificate shall be deemed to prevent the County from disseminating any other information, including the information then contained in the

County's official statements or other disclosure documents relating to debt issuances, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the County chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Certificate, the County shall have no obligation under this Certificate to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

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

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate and the County agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Note.

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

Section 12. Electronic Signatures. The County agrees that the transaction consisting of this Certificate may be conducted by electronic means. The County agrees, and acknowledges that it is the County's intent, that if the County signs this Certificate using an electronic signature, it is signing, adopting and accepting this Certificate and that signing this Certificate using an electronic signature is the legal equivalent of having placed its handwritten signature on this Certificate on paper. The County acknowledges that it is being provided with an electronic or paper copy of this Certificate in a usable format.

Section 13. Governing Law. This Certificate shall be governed by the laws of the State of California and the federal securities laws.

Dated: July 3, 2023

COUNTY OF RIVERSIDE

By ________________________________
Authorized Officer

EXHIBIT A

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE REPORT

Name of Issuer:	County of Riverside, California
Name of Bond Issue:	$360,000,000* County of Riverside 2023 Tax and Revenue Anticipation Note
Issuance Date:	July 3, 2023

NOTICE IS HEREBY GIVEN that the COUNTY OF RIVERSIDE (the "County") has not provided the Quarterly Report with respect to the above-named Note as required by Section 3 of the Continuing Disclosure Certificate, dated as of July 3, 2023, executed and delivered by the County. The County anticipates that such report will be filed by ____________.

Dated: ______________

COUNTY OF RIVERSIDE

By ____
Authorized Officer

* Preliminary, subject to change.

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

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

General

DTC will act as securities depository for the Note. The Note will be issued as a fully-registered security registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for the Note in the aggregate principal amount of the Note, and will be deposited with DTC or held by the Paying Agent.

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

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

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

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

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

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

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

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

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

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

APPENDIX F

FORM OF RESOLUTION

[Attached]

APPENDIX A

INFORMATION REGARDING THE COUNTY OF RIVERSIDE

SECTION I – DEMOGRAPHIC AND ECONOMIC INFORMATION

Set forth below is certain information with respect to the County. Such information was prepared by the County except as otherwise indicated. Certain statements contained in this Appendix A are "forward-looking statements." No assurance can be given that any estimates of future impact discussed herein will be achieved, and actual results may differ materially from the potential impact described herein. All projections, forecasts, assumptions and other forward-looking statements in this Appendix A are expressly qualified in their entirety by this cautionary statement.

General

The County was organized in 1893 from territory in San Bernardino and San Diego counties and encompasses 7,177 square miles. The County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the south by San Diego and Imperial counties and on the west by Orange and San Bernardino counties. The County is the fourth largest county (by both area and population) in the State of California (the "State") and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 28 incorporated cities in the County.

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

The County provides a wide range of services to residents, including police and fire protection, medical and health services, education, library services and public assistance programs. Some municipal services are provided by the County on a contract basis to incorporated cities within its boundaries. These services are designed to allow cities to contract for municipal services such as police and fire protection without incurring the cost of creating County departments and facilities. Services are provided to the cities at cost by the County. Three distinct geographical areas characterize the County: the western valley area, the higher elevations of the mountains and the desert areas. The western portion of the County, which includes the San Jacinto Mountains and the Cleveland National Forest, experiences the mild climate typical of Southern California. The eastern desert areas experience warmer and dryer weather conditions.

Population

According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 2,439,234 as of January 1, 2023, representing an approximately 0.3% increase over the County's population as estimated for the prior year. This compares to the statewide population decrease of 0.4% for the same period. For the period of January 1, 2013 to January 1, 2023, the County's population grew by approximately 8.1%. The County is the tenth most populous county in the United States.

The following table sets forth annual population figures, as of January 1 of each year, for cities located within the County for each of the years listed:

TABLE 1
COUNTY OF RIVERSIDE
POPULATION OF CITIES WITHIN THE COUNTY
(As of January 1)

City	*2019*	*2020*	*2021*	*2022*	*2023*
Banning	31,068	31,057	30,629	30,856	31,250
Beaumont	49,913	51,731	54,313	54,349	56,590
Blythe	19,530	19,530	17,470	17,417	17,265
Calimesa	9,015	9,522	10,544	10,950	10,962
Canyon Lake	11,021	11,018	11,147	11,003	10,949
Cathedral City	53,308	53,494	51,898	51,621	51,433
Coachella	47,318	47,583	42,178	41,935	42,462
Corona	166,937	168,332	156,901	157,139	157,005
Desert Hot Springs	30,019	30,036	32,546	32,389	32,608
Eastvale	65,735	66,535	70,444	69,978	69,514
Hemet	84,354	84,391	89,823	89,170	89,918
Indian Wells	5,351	5,371	4,771	4,785	4,774
Indio	90,112	90,804	88,862	89,789	90,837
Jurupa Valley	106,056	107,000	105,415	105,154	104,983
Lake Elsinore	63,270	63,591	70,891	71,989	71,973
La Quinta	40,663	40,906	37,949	37,562	37,979
Menifee	94,710	97,094	103,617	107,411	110,034
Moreno Valley	207,190	208,791	209,603	208,302	208,289
Murrieta	113,207	114,541	111,671	110,592	109,998
Norco	26,473	27,611	24,563	25,035	25,037
Palm Desert	53,695	53,828	50,976	50,626	50,615
Palm Springs	47,410	47,509	44,570	44,165	44,092
Perris	78,095	78,575	79,327	78,474	78,948
Rancho Mirage	18,397	18,611	16,650	16,854	17,012
Riverside	327,076	328,766	312,789	314,818	313,676
San Jacinto	49,655	50,207	54,503	54,303	54,103
Temecula	112,561	112,512	110,394	109,468	108,899
Wildomar	36,878	36,963	36,928	36,438	36,336
TOTALS					
Incorporated	2,039,017	2,055,909	2,031,372	2,038,808	2,037,541
Unincorporated	380,040	384,810	393,215	398,404	401,693
County-Wide	2,419,057	2,440,719	2,424,587	2,430,976	2,439,234
California	39,927,315	39,782,870	39,303,157	39,078,674	38,940,231

Source: State Department of Finance, Demographic Research Unit.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other than labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local, nontax payments, fines, fees, penalties, etc.) and personal contributions to social security insurance and federal retirement payroll deductions. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total Effective Buying Income for the County, the State and the United States for the current and last four years:

TABLE 2
RIVERSIDE COUNTY AND CALIFORNIA
TOTAL EFFECTIVE BUYING INCOME,
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME AND
PERCENT OF HOUSEHOLDS WITH INCOMES OVER $50,000[(1)]

	Total Effective Buying Income[(2)]	*Median Household Effective Buying Income*	*Percent of Households with Income over $50,000*
2019			
Riverside County	$ 54,118,453	$54,920	54.41%
California	1,183,264,399	61,895	59.16
United States	9,017,967,563	52,841	--
2020			
Riverside County	$ 59,340,416	$59,167	57.60%
California	1,243,564,816	65,285	61.45
United States	9,487,165,436	55,303	--
2021			
Riverside County	$ 60,749,087	$60,203	58.41%
California	1,290,894,604	67,510	62.86
United States	9,809,944,764	56,790	--
2022			
Riverside County	$ 71,160,967	$70,683	65.97%
California	1,452,426,152	76,880	68.53
United States	11,208,582,540	63,679	--
2023			
Riverside County	$ 72,687,953	$71,389	66.37%
California	1,461,799,662	76,990	68.58
United States	11,454,846,397	64,600	--

(1) Estimated, as of January 1 of each year.
(2) Dollars in thousands.
Source: The Nielsen Company, Site Reports, 2019; Environics Analytics, Claritas Spotlight Reports 2020-2023.

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Building and Real Estate Activity

The two tables below set forth a summary of building permit valuations and new dwelling units authorized in the County (in both incorporated and unincorporated areas) for the last five years.

TABLE 3
COUNTY OF RIVERSIDE
BUILDING PERMIT VALUATIONS
(IN THOUSANDS)

	2018	*2019*	*2020*	*2021*	*2022*
RESIDENTIAL					
New Single-Family	$ 2,200,021	$ 1,834,821	$ 2,315,365	$ 2,013,159	$ 2,429,329
New Multi-Family	232,707	282,465	93,149	149,081	339,475
Alterations and Adjustments	125,353	158,117	110,788	100,402	152,309
Total Residential	$ 2,558,081	$ 2,275,404	$ 2,519,303	$ 2,262,642	$ 2,921,113
NON-RESIDENTIAL					
New Commercial[1]	$ 703,977	$ 312,035	$ 313,728	$ 607,980	$ 643,697
New Industrial	529,326	493,872	225,401	184,817	83,556
Other Buildings[2]	410,606	179,861	233,709	460,240	449,607
Alterations & Additions	315,771	300,086	380,937	290,962	524,757
Total Nonresidential	$ 1,959,680	$ 1,285,855	$ 1,153,777	$ 1,543,998	$ 1,701,617
TOTAL ALL BUILDING	**$ 4,517,761**	**$ 3,561,260**	**$ 3,673,080**	**$ 3,806,640**	**$ 4,622,730**

(1) Includes office buildings, stores & other mercantile, hotels & motels, amusement & recreation, parking garages and service stations & repair.
(2) Includes churches and religious buildings, medical and institutional buildings, agricultural and storage buildings, hospitals and institutional buildings, public works and utility buildings, schools and educational buildings, structures other than buildings, and residential garages.
Source: California Homebuilding Foundation.

TABLE 4
COUNTY OF RIVERSIDE
NUMBER OF NEW DWELLING UNITS

	2018	*2019*	*2020*	*2021*	*2022*
Single Family	7,540	6,563	8,443	7,360	8,863
Multi-Family	1,628	1,798	732	1,126	2,861
TOTAL	**9,168**	**8,361**	**9,166**	**8,486**	**11,724**

Source: California Homebuilding Foundation.

The following table sets forth the annual median housing prices for Los Angeles County, Riverside County, San Bernardino County and Southern California for the last five years.

TABLE 5
COUNTIES OF LOS ANGELES, RIVERSIDE AND SAN BERNARDINO AND SOUTHERN CALIFORNIA
MEDIAN HOUSING PRICES

Year	*Los Angeles*	*Riverside*	*San Bernardino*	*Southern California*(1)
2018	$597,000	$379,000	$330,000	$521,000
2019	615,000	392,000	343,750	530,000
2020	670,000	430,000	380,000	575,000
2021	770,000	510,000	450,000	665,000
2022(2)	820,000	582,000	500,000	758,660

(1) Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
(2) Median housing prices reported for August 2022.
Source: CoreLogic; DQNews.

The following table sets forth the residential foreclosures recorded in Riverside County for the last five years.

TABLE 6
COUNTY OF RIVERSIDE RESIDENTIAL FORECLOSURES

Year	*Foreclosures*
2018	1,233
2019	872
2020(1)	314
2021(1)	274
2022	407

(1) Foreclosures were lower in 2020 and 2021 than in prior years due to a moratorium on foreclosure of certain mortgage and court closures related to the COVID-19 pandemic.
Source: DQNews (2018-2021); County Assessor (2022).

Agriculture

In 2022, principal agricultural products were nursery stock, milk, table grapes, eggs, bell peppers, lemons, alfalfa, turf grass, dates and avocados.

Four areas in the County account for a major portion of the agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County's eastern border.

Agricultural production in the County may be impacted by drought conditions. See "SECTION II—SERVICES AND RISK MATTERS—Environmental Control Services" below. The County cannot predict the impact that a future prolonged drought would have on agricultural production in the County.

The following table sets forth the value of agricultural production in the County for the years 2017 through 2021, the last year being the most recent year of which data is currently available.

TABLE 7
COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION

	2017	*2018*	*2019*	*2020*	*2021*
Citrus Fruits	$ 177,055,000	$ 170,775,000	$ 121,934,000	$ 126,567,000	$ 127,473,000
Trees and Vines	228,315,000	249,150,000	268,368,000	282,840,000	280,105,000
Vegetables, Melons, Misc.	331,986,000	371,570,000	354,217,000	334,440,000	324,895,000
Field and Seed Crops	99,224,000	93,282,000	141,652,000	156,114,000	135,033,000
Nursery	153,749,000	165,758,000	204,768,000	247,765,000	267,547,000
Apiculture	5,415,000	5,473,000	6,123,000	5,858,000	5,925,000
Aquaculture	4,764,000	4,732,000	4,776,000	4,596,000	4,873,000
Livestock and Poultry	221,750,000	238,468,000	219,427,000	260,040,000	260,059,000
Grand Total	**$ 1,222,258,000**	**$ 1,299,208,000**	**$ 1,321,265,000**	**$ 1,418,220,000**	**$ 1,405,910,000**

Source: County of Riverside Agricultural Commissioner.

Transportation

Several major freeways and highways provide access between the County and all parts of Southern California. State Route 91 extends southwesterly from Riverside through Corona and connects with the Orange County freeway network. Interstate 10 traverses the County in an east-west direction, the western-most portion of which links up with major cities and freeways in Los Angeles County and San Bernardino County, with the eastern part linking the County's desert cities with Arizona. Interstates 15 and 215 extend northeasterly to Nevada, and Interstate 15 extends southerly to San Diego. State Route 60 provides an alternate (to Interstate 10) east-west link to San Bernardino County and Los Angeles County. The State Route 91 Express Lanes connect to the OCTA SR-91 Express Lanes at the Orange County/Riverside County line on the west and continue easterly to the Interstate 15/State Route 91 interchange opened in March 2017. When travelling along State Route 91 through Corona, vehicles are able to use either the tolled express lanes or the free general-purpose lanes; vehicles soon will have a similar choice when travelling along the northern part of Interstate 15 in Riverside County. The Interstate 15 Express Lanes extend from the San Bernardino County line southerly to Cajalco Road in Corona opened in April 2021.

Metrolink provides commuter rail service to Los Angeles, San Bernardino and Orange Counties from nine stations in western Riverside County, including the Perris Valley area. Transcontinental passenger rail service is provided by Amtrak with stops in Riverside and Palm Springs. Freight service to major west coast and national markets is provided by two transcontinental railroads – Union Pacific Railroad and the BNSF Railway Company. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. There are also four municipal transit operators in the western County providing services within the cities of Banning, Beaumont, Corona and Riverside. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, servicing the area from Desert Hot Springs to Oasis and from Palm Springs to Riverside. The Palo Verde Valley Transit Agency provides service in the far eastern portion of the County (City of Blythe and surrounding communities).

The County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Ontario International Airport Authority (OIAA) and was transferred by the City of Los Angeles to the OIAA in October 2016. Four major airlines schedule commercial flight service at Palm Springs International Airport. County-operated general aviation airports include those in Thermal, Hemet, Blythe, Chiriaco-Summit and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Reserve Base, which converted from an active duty base to a reserve-only base on April 1, 1996. The March AFB Joint Powers Authority (the "JPA"), comprised of the County and the Cities of Riverside, Moreno Valley and Perris, is responsible for planning and developing joint military and civilian use. The JPA has constructed infrastructure improvements, entered into leases with private users and initialized a major business park project.

Commercial Activity

Commercial activity is an important factor in the County's economy. Much of the County's commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are five regional shopping malls in the County: Galleria at Tyler (Riverside), Hemet Valley Mall, Westfield Palm Desert Shopping Center, Moreno Valley Mall and the Promenade at Temecula. There are also three factory outlet malls (Desert Hills Factory Stores, Cabazon Outlets and Lake Elsinore Outlet Center) and over 200 area centers in the County.

The following tables sets forth taxable sales transactions within the County for the last five years, the last year being the most recent full year of which annual data is currently available.

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TABLE 8
COUNTY OF RIVERSIDE
TAXABLE SALES TRANSACTIONS

	2018	*2019*	*2020*	*2021*	*2022*
Motor Vehicle and Parts Dealers	$ 5,407,138,856	$ 5,551,535,521	$ 5,786,471,096	$ 7,462,856,112	$ 7,470,778,646
Home Furnishings and Appliance Stores	1,962,649,727	2,092,520,010	2,097,785,280	2,006,427,563	1,999,155,804
Building Material and Garden Equipment and Supplies Dealers	2,346,507,775	2,487,360,007	3,091,784,448	3,600,518,832	3,598,728,060
Food and Beverage Stores	1,790,507,202	1,821,669,581	1,938,870,682	2,121,116,195	2,121,728,760
Gasoline Stations	3,381,768,451	3,383,592,749	2,622,849,376	3,958,293,093	3,959,674,480
Clothing and Clothing Accessories Stores	2,315,432,567	2,361,182,097	1,824,772,212	2,784,916,128	2,787,245,164
General Merchandise Stores	3,560,754,579	3,966,881,856	4,122,093,914	4,730,209,136	4,756,623,842
Other Retail Group	3,273,275,986	3,079,536,332	5,031,910,636	9,688,728,975	9,700,523,667
Food Services and Drinking Places	4,004,656,656	4,276,122,483	3,547,301,048	4,927,010,190	4,936,088,033
Total Retail and Food Services	$ 28,042,691,799	$ 29,020,400,636	$ 30,063,838,692	$ 41,280,076,224	$ 41,330,546,456
All Other Outlets	10,876,805,756	11,537,443,970	11,854,183,849	14,185,676,044	14,204,649,233
Total All Outlets	**$ 38,919,497,555**	**$ 40,557,844,606**	**$ 41,918,022,541**	**$ 55,465,752,268**	**$ 55,535,195,689**

Source: California Department of Tax and Fee Administration.

Industry and Employment

The County is a part of the Riverside-San Bernardino-Ontario Primary Metropolitan Statistical Area ("PMSA"), which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the PMSA has large and growing commercial and service sector employment. The number of employed persons in the PMSA by industry is set forth in the following table.

TABLE 9
RIVERSIDE-SAN BERNARDINO-ONTARIO PMSA
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY[(1)]
(In Thousands)

Industry	*2018*	*2019*	*2020*	*2021*	*2022*
Agriculture	14.5	14.6	13.9	13.1	14.7
Construction	104.8	101.1	105.0	107.6	114.3
Finance Activities	43.7	44.2	43.7	44.5	47.6
Government	257.5	268.8	249.1	239.7	254.1
Manufacturing:	101.3	102.6	94.3	94.6	98.1
Nondurables	36.2	15.4	34.6	35.4	38.6
Durables	65.1	65.7	59.7	59.2	59.5
Mining & Logging	1.0	1.2	1.3	1.3	1.6
Retail Trade	180.8	191.1	168.8	173.4	187.7
Professional and Business Services	150.6	160.7	154.0	163.5	185.9
Education and Health Services	240.0	260.5	248.7	252.7	272.3
Leisure & Hospitality	170.0	174.5	139.2	148.3	178.2
Other Services	45.6	43.1	39.6	41.3	49.2
Transportation, Warehousing and Utilities	132.6	146.3	170.5	194.0	220.5
Wholesale Trade	64.9	65.0	64.6	66.4	69.2
Information	11.2	11.3	9.4	8.8	10.3
Total, All Industries	**1,518.7**	**1,585.0**	**1,501.8**	**1,549.2**	**1,703.7**

(1) The employment figures by industry which are shown above are not directly comparable to the "Total, All Industries" employment figures due to rounded data.

Source: State Employment Development Department, Labor Market Information Division.

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The following table sets forth the major employers in the County and their respective product or service and number of employees as of [__________, 2023]. **[COUNTY TO PROVIDE UPDATED TABLE]**

TABLE 10
COUNTY OF RIVERSIDE
CERTAIN MAJOR EMPLOYERS[(1)]
(AS OF __________, 2023)

Company Name	***Product/Service***	***No. of Local Employees***

(1) Certain major employers in the County may have been excluded because of the data collection methodology.
Source: Riverside County Office of Economic Development.

Unemployment data for the County, the State and the United States for the last five years and preliminary data for April 2023 (as indicated) are set forth in the following table. **[TABLE TO BE UPDATED ONCE APRIL DATA IS AVAILABLE]**

TABLE 11
COUNTY OF RIVERSIDE
COUNTY, STATE AND NATIONAL UNEMPLOYMENT DATA

	2018	*2019*	*2020*	*2021*	*2022*	*April 2023*[2]
County[1]	4.4%	3.7%	9.9%	5.6%	4.0%	%
California[1]	4.2	4.2	10.1	5.5	3.9	
United States[3]	3.9	3.7	8.1	5.3	3.5	3.4

(1) Data is not seasonally adjusted. The unemployment data for the County and State is calculated using unrounded data.
(2) Unemployment rate information is preliminary for April 2023.
(3) Data is seasonally adjusted.
Source: State of California Employment Development Department Labor Market Information Division; U.S. Bureau of Labor Statistics.

SECTION II – SERVICES AND RISK MATTERS

Sheriff and Fire Services

The core services of the County Sheriff's Department are to provide a 24/7 uniformed response to calls for service from the public in the unincorporated County areas, to operate a countywide jail system that serves all local agencies, to provide court security and service of court processes and orders, and to perform Coroner – Public Administrator functions pursuant to California law.

The Field Operations Division provides much of the County's law enforcement via eleven Sheriff patrol stations, several support bureaus, and specialty teams spread across the County's different regions. In addition, the department provides police services for sixteen incorporated cities, one tribal reservation, and one community college district. The Corrections Division operates five correctional facilities, an alternative sentencing program, and several in-custody treatment programs. The Courts Services Division provides court security by maintaining public safety, execution of orders issued by the court, service, and enforcement of civil processes, and serving civil and criminal arrest warrants. The Court Services Division also provides enhanced security at the County Administrative Center. The Coroner's Bureau investigates and reports on all the violent, sudden, or unusual deaths of persons within the county as established by California law. The Public Administrator investigates and administers the estates of Riverside County residents who die without someone available or willing to handle their affairs. The department supports internal operations through the Administration Division, Support Services Bureau, and the Ben Clark Public Safety Training Center ("BCTC"), a 370-acre main training facility located in Riverside.

The Sheriff is currently evaluating future improvements to the BCTC. The modernization project would provide for a new training and educational campus for a variety of public safety, government, and educational partners to train and equip public safety personnel with effective tools and techniques for the foreseeable future. The project is intended to meet the needs of not only the Sheriff, but also other County public safety departments, the California Department of Forestry and Fire Protection ("CAL FIRE"), the California Highway Patrol, Riverside Community College District, federal law enforcement and public safety agencies, and other entities.

The Riverside County Fire Department ("RCFD") is an integrated, cooperative, regional fire protection system that provides fire, emergency medical services, technical rescue and hazardous materials response to approximately 1.6 million residents in the unincorporated area, in 18 partner fire cities and one community services district.

The County contracts with CAL FIRE to serve as the RCFD for emergency. All hazards emergency response services are provided from 94 fire stations using about 1,050 firefighters (CAL FIRE), 327 administrative and support personnel, and about 150 reserve volunteer firefighters. CAL FIRE is responsible to protect the State Responsibility Area (SRA) or watershed as part of the cooperative agreement and Public Resources Code §§4125-4127. The RCFD is one of the largest regional fire service organizations in California.

Medical and Health Services

Riverside University Health System ("RUHS") is comprised of the Medical Center, 26 hospital-based clinics, and the Medical and Surgical Center which opened in March 2020. At approximately 520,000 square feet, the tertiary care and Level II trauma facility is licensed for 439 beds. There are 362 licensed beds in the main acute-care hospital and 77 licensed beds in a separate psychiatric facility. RUHS is serviced by over 4,000 healthcare professionals and support staff and provides training to 1,000 medical residents and students and 2,500 nursing students annually.

RUHS has 12 operating rooms including one with a da Vinci Xi surgical robot, a helipad located directly adjacent to the trauma center, digital radiology services, including magnetic resonance imaging (MRI) and computerized tomography (CT), all single-bed rooms, and provides support to numerous hospital-based clinics. There are also adult, pediatric and neonatal intensive care units, a birthing center and complete pulmonary services, hyperbaric oxygen treatments, and an emergency psychiatric hospital. RUHS is currently evaluating future improvements for the Medical Center including an Emergency Department and critical care expansion, a Behavioral Health wellness center, and other campus facilities and improvements. In addition, Behavioral Health is evaluating other opportunities to meet community needs in alignment with proposed state initiatives around the modernization of behavioral healthcare delivery.

The County has the legal responsibility to provide health care to all individuals, regardless of their ability to pay or insurance status, and provides these services by operating RUHS. RUHS provides services to patients covered by various reimbursement programs, principally Medi-Cal and Medicare, and some commercial insurance, while also providing services to the uninsured. RUHS relies on a significant amount of governmental Medicaid waiver revenue including, Disproportionate Share Hospitals ("DSH") funding, Delivery System Reform Incentive Payments (DSRIP) and Realignment. In December 2015, several changes were adopted with respect to the Medicaid waiver to shift the focus of care away from hospital-based and inpatient care and instead towards outpatient, primary, and preventive care. RUHS organized to ensure a pay-for-performance transformation that accomplishes the goal of continuing support, maximizing federal funds and improving the system of care for the County.

For Fiscal Year 2022-23, the County contributed approximately $11.5 million to RUHS from its tobacco settlement revenue receipts to pay for operating expenses and debt service on the main RUHS facility and is anticipated to do so through Fiscal Year 2026-27.

Education Services

There are three union school districts, one elementary school district, one high school district, eighteen unified ("K-12") school districts and four community college districts in the County. Approximately ninety percent of all K-12 students attend schools in the unified school districts. The three largest unified school districts are Corona-Norco Unified School District, Riverside Unified School District and Moreno Valley Unified School District.

There are nine two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley, Palo Verde Valley, Banning and Temecula. There are also three universities located in the City of Riverside – the University of California, Riverside ("UCR"), La Sierra University and California Baptist University. The City of Palm Desert also has a UCR campus and California State University, San Bernardino campus.

Homelessness Services

Riverside County is committed to preventing and ending homelessness in Riverside County and in 2020 created its Housing and Workforce Solutions ("HWS") Department to provide the necessary leadership and structure to unify community-wide responses. HWS works alongside a Homelessness Continuum of Care network to conduct a federally mandated census of sheltered and unsheltered people experiencing homelessness in the county, in addition to coordinating homeless responses countywide. The last full count was conducted on January 25, 2023 and identified 3,725 people, representing an approximately 12% increase from the prior year, of which approximately 65.5% were unsheltered. The County incorporates these challenges into its budget planning process and seeks to maximize outside funding sources, including actively pursuing available State funding.

Environmental Control Services

Assessing Environmental and Social Risk. The County's 2018 Multi-Jurisdictional Local Hazard Mitigation Plan ("LHMP") provides a County-wide risk assessment of natural, technological and man-made hazards. The top five identified hazards in order of priority risk were identified as earthquakes, influenzas pandemic, wildland fires, electrical failures and emergent diseases. CAL FIRE has designated and adopted Fire Hazard Severity Zones in State Responsibility Areas ("SRA"). In addition, the County has adopted CAL FIRE recommendations for Very High Fire Hazard Severity Zones in Local Responsibility Areas ("LRA"). The unincorporated areas of the County includes State Responsibility Areas and Local Responsibility Areas and contains a mixture of Very High Fire Hazard Severity Zone areas, High Fire Hazard Severity Zone areas, Moderate Fire Hazard Severity Zone areas, and areas that are not designated as Fire Hazard Severity Zones. Fire Hazard Severity Zone maps for Riverside County may be found at the following links: SRA – *Map of CAL FIRE's Fire Hazard Severity Zones in State Responsibility Areas –Western Riverside County*; LRA West – *Map of CAL FIRE's Fire Hazard Severity Zones in Local Responsibility Areas – Western Riverside County*; and LRA East – *Map of CAL FIRE's Fire Hazard Severity Zones in Local Responsibility Areas – Eastern Riverside County*. The LHMP indicates that climate change and drought conditions are likely to become more frequent and persistent, contributing to increasing wildfire risk. The County incorporates these environmental risks into its budget and capital planning by providing funds for those departments tasked with the response. The Fiscal Year 2022-23 budget includes approximately $11.3 million for such uses. In the event of a disaster or emergency, the Board of Supervisors can provide additional funds through budget adjustments that may be recovered through State or federal resources (such as increased reimbursements from CAL FIRE, the State's office of emergency services, the Department of Homeland Security and FEMA).

Water Supply. The County obtains a large part of its water supply from groundwater sources, with certain areas of the County, such as the City of Riverside, relying almost entirely on groundwater. As in most areas of Southern California, this groundwater source is not sufficient to meet countywide demand, and the County's water supply is supplemented by imported water. At the present time, the County does not provide wholesale or retail water service and imported water is provided by the Metropolitan Water District of Southern California from the Colorado River via the Colorado River Aqueduct and from the State Water Project via the Edmund G. Brown California Aqueduct. In the Southwest area of the County, approximately 80% of the water supply is imported.

At the regional and local level, there are several water districts that were formed for the primary purpose of supplying supplemental water to the cities and agencies within their areas. The Coachella Valley Water District, the Western Municipal Water District and the Eastern Municipal Water District are the largest of these water districts in terms of area served. The San Gorgonio Pass Water Agency, Desert Water Agency, Palo Verde

Irrigation District, Elsinore Valley Municipal Water District and Rancho California Water District also provide supplemental water to cities and agencies within the County.

The governor and the State Legislature have developed strategies to help mitigate the effects of the State's susceptibility to periodic, potentially prolonged and/or severe drought conditions. On April 1, 2015, California's governor issued the fourth in a series of executive orders extending the measures necessary to address California's severe drought conditions which occurred between 2011 and 2015. On May 9, 2016, as a result of persistent severe drought conditions in many areas of California, the governor issued an additional executive order that, among other things, made permanent many of the conservation measures set in the governor's previous executive orders. On April 7, 2017, as a result of the record rainfall and snowfall that occurred in the State between November 2016 and March 2017, the governor declared an end to the drought emergency in California (except with respect to four counties mostly located in California's agricultural Central Valley). However, this same executive order directed the State Water Resources Control Board to initiate the rulemaking process to ensure that many key conservation measures established by the governor's 2016 executive order will remain in place. Such conservation measures prohibit wasteful practices such as: (i) hosing off sidewalks, driveways and other hardscapes, (ii) washing automobiles with hoses not equipped with a shut-off nozzle, (iii) using non-recirculated water in a fountain or other decorative water feature, (iv) watering lawns in a manner that causes runoff, or within forty-eight hours of measurable precipitation, and (v) irrigating ornamental turf on public street medians.

During a workshop in May of 2015 to discuss the drought, the Board of Supervisors directed staff to revise County Ordinance No. 859.3 *Water Efficient Landscape Requirements*. On July 21, 2015, the Board of Supervisors adopted, via an urgency ordinance, updated water efficient landscape requirements Ordinance No. 859. A key highlight of this revised ordinance is that it "*prohibits the use of natural turf grass lawns within the front yards of new homes and promoting low water use plants and inert materials for a sustainable and marketable landscape design*."

In 2021, the State again began experiencing drought conditions. Beginning in April 2021, the governor signed a series of proclamations determining, as of July 8, 2021, that 50 counties in the State, but not including the County, are in a state of emergency due to drought conditions affecting such areas. In addition, on July 8, 2021, the governor signed Executive Order N-10-21, which asks citizens of the State to voluntarily reduce their water use by 15% compared to 2020 levels. On October 19, 2021, the governor issued a proclamation of a state of emergency incorporating the remaining eight counties in the State from the July 8, 2021 Order, including the County, to expeditiously mitigate the effects of the drought conditions to ensure the protection of health, safety, and the environment. On March 28, 2022, the governor signed Executive Order N-7-22 in response to intensifying drought conditions. The Order, building on the four 2021 orders relating to California's drought, among other requirements, limits a county, city or other public agency's ability to permit modified or new groundwater wells, and instructs the State Water Resource Control Board to consider (1) requiring certain water conservation measures from urban water suppliers and (2) banning non-functional or decorative grass at businesses and institutions. The County has partnered with a consortium of local water districts to send tiered water conservation messages as drought conditions continue to worsen. There can be no assurance the County will not be subject to additional emergencies, proclamations or Orders due to drought conditions in the future.

Flood Control. Primary responsibility for planning and construction of flood control and drainage systems within the County is provided by the Riverside County Flood Control and Water Conservation District and the Coachella Valley Water District.

Sewage. There are 18 wastewater treatment agencies in the County's Santa Ana River region and nine in the County's Colorado River Basin region. The County does not own or operate a Publicly Owned Treatment Works ("POTW"), or sewage plant. Most residents in rural areas of the County which are unsewered rely upon septic tanks and leach fields for sewage disposal only if a POTW does not service the area with sewer infrastructure.

Cybersecurity

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County is subject to cyber threats including, but not limited to: hacking, malware, social engineering, and other attacks on its computer systems and sensitive digital networks. The Board of Supervisors adopted Policy No. A-58 - Enterprise Information Security Policy, which aligns with the National Institute of Standards and Technology ("NIST") Cybersecurity Framework regarding information security and privacy, and cyber risk management. In accordance with the adopted policy, all County employees are required to complete mandatory Policy No. A-58 Information Security Training on an annual basis. The County's Information Security Office operates a security operations center ("SOC") that provides 24x7x365 monitoring of the County's enterprise network, performs continuous penetration testing, conducts monthly simulated phishing attacks and phishing awareness campaigns, and distributes monthly security awareness newsletters to all County employees. Additionally, the County's Information Security Office has developed and implemented a formal Security Incident Response and Breach Notification Process for County-wide responses to information security incidents. The County carries a cyber liability insurance policy to cover the financial losses that may result from data breaches and cyberattacks.

No assurances can be given that the County's security and operational control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the County's computer and information technology systems could impact its operations and damage the County's digital networks and systems, and the costs of remedying any such damage could be substantial.

Litigation

No litigation is pending, or, to the best knowledge of the County, threatened, concerning the validity of the Note or the Resolution, or contesting the County's ability to appropriate or make the repayment of the Note, and an opinion of the Office of County Counsel to that effect will be furnished to the Underwriters at the time of the execution and delivery of the Note. Although the County may, from time to time, be involved in legal or administrative proceedings arising in the ordinary course of its affairs, it is the opinion of the County that any currently pending or known threatened proceedings will not materially affect the County's finances or impair its ability to meet its obligations.

The County is currently involved in a series of lawsuits involving state-calculated assessments of unitary property ("unitary taxes'). These lawsuits have been brought by telecommunication companies, railways and an electric utility company. While each of these lawsuits is separate, they seek refunds of property taxes that have been paid under California's "pay first, litigate later" rule. Practically, this means that the County may be required to issue significant refunds to these providers. The unitary tax is collected by the County on behalf of special districts, school districts and water districts who utilize unitary tax revenue to pay for debt service. The County acts as a pass-through for the unitary taxes as set forth above. If these companies prevail, the County would be responsible for issuing refunds and then collecting or offsetting future amounts of revenue from these special districts. As such, the County has issued notices to said districts pursuant to Revenue and Taxation Code Sections 5146 and 5148 indicating that the County may be required to collect funds from the special districts to pay any refunds ordered by the Court or schedule an offset of future tax revenues.

First, AT&T, T-Mobile and Sprint (the "Telecommunication Companies") have each filed lawsuits against the County seeking a refund of unitary taxes paid from 2014-2015 to the present. AT&T also seeks a reduction in the unitary tax rate to reflect a lower rate that they believe is assessed against other business and commercial properties. AT&T further argues that the unitary tax rate cannot be higher than 1% as capped by Proposition 13. The three telecommunication companies are seeking a refund amount, in total, of approximately $25,000,000 to $35,000,000 in taxes. The lead case, *AT&T v. County of Riverside*, has been stayed by agreement of the parties due to a parallel lawsuit involving the County of Santa Clara. The Court of Appeal ruled in favor of the County of Santa Clara, and the California Supreme Court has denied review of the matter. It is unclear whether AT&T will abandon their claim against the County of Riverside in light of the ruling in the County of Santa Clara matter.

Second, the County is also facing another unitary tax lawsuit entitled *Southern California Edison v. Board of Equalization*. This lawsuit was filed by electric utility provider Edison against the State's Board of Equalization and nineteen (19) counties, including the County, seeking a total refund of approximately $5.5 billion. The County received approximately $53,329,392 in FY 2020-2021 at the valuation approved by the State. Edison would like that amount to be reduced by approximately 10.32% resulting in an adjusted tax of approximately $42,872,680. As such, Edison seeks a refund from the County in the amount of approximately $10,456,712. Edison has filed two identical lawsuits for two different years, and the County expects a third identical lawsuit for the last tax year. In total, the potential total refund for three years to Edison would be approximately $35,000,000. Of note, the County acts as a pass-through, and a majority of the refunded amount if Edison were to prevail would be attributable to cities, special districts and school districts that receive the unitary tax revenue. This matter has recently been filed and is being heard in Orange County Superior Court. The County does not anticipate a ruling in this matter until the fall of 2023.

Insurance

The County is self-insured for short-term disability, unemployment insurance, general liability, medical malpractice and workers' compensation claims. General liability claims are self-insured to $5 million for each occurrence with a $2 million corridor (annual aggregate excess of the self-insured retention) and the balance (to $25 million for each occurrence), with an optional excess liability program aggregate of $50 million, is insured through Public Risk Innovation, Solutions, and Management ("PRISM," formerly known as CSAC EIA), a joint powers authority and insurance risk sharing pool consisting of 55 counties in the State, as well as other non-county public entities. Medical malpractice is self-insured for the first $1.1 million for each claim with a $1.5 million limit on a claims-made basis in excess of the County's self-insured retention, followed by a $20 million limit on an occurrence basis through PRISM, for a total limit of $21.5 million in excess of the County's self-insured retention. Workers' compensation claims are self-insured to $2 million for each occurrence and the balance of statutory limits (unlimited) is insured through PRISM. Long-term disability income claims are fully insured by an independent carrier.

The PRISM property insurance program provides insurance coverage for all-risk subject to a $50,000 per occurrence deductible; flood coverage is subject to a $100,000 per occurrence deductible within a 100-year flood zone and a $50,000 deductible outside of a 100-year flood zone. In order to diversify risk, property exposure amongst all members within the program are categorized into eight "Towers" based on geography and building type. The County participates in four of the eight Towers, each of which provides $100 million in all-risk limits (including earthquake and flood limits), and $300 million limit for all-risk and a minimum of $200 million for flood per Tower. A $300 million excess all risk layer sits above the Towers, providing a total of $600 million in all-risk limits for Towers I-VIII. With respect to earthquake coverage, each of the four Towers in which the County participates has a limit of $100 million, with a $365 million excess rooftop layer shared by all of the Towers that is triggered by the depletion of the initial limit for one or more of the Towers in a policy year. The County has $765 million in shared earthquake coverage that covers scheduled locations and buildings equal to or greater than $1 million in value and lesser valued locations where such coverage is required by contract. Earthquake coverage is subject to a deductible equal to 5% of total value per unit per occurrence, subject to a $100,000 minimum. Boiler and Machinery provides up to $100 million in limits, subject to a $5,000 deductible per event. Property insurance limits in each Tower are shared with other counties within that Tower on a per event basis. If a catastrophic event occurs and losses exceed the limits, the County would be responsible for such amounts.

SECTION III – BUDGETARY INFORMATION

Financial Policies

General. The County has adopted a comprehensive set of financial policies to serve as a guideline for financial matters as further described below. Such policies can be found on the County's website at the following link: *Financial Policies*.

Governmental Fund Balance and Reserve Policy. Fund balance is the difference between assets and liabilities on a governmental fund balance sheet, and represents the net remainder of resources less expense at year-end. It is a widely used component in government financial statements analysis. In September 2011, the County adopted Board Policy No. B-30, Government Fund Balance and Reserve Policy (the "Government Fund Balance and Reserve Policy"), which establishes guidelines for use of fund balance with restricted purpose versus unrestricted purpose. This policy applies to governmental funds, which includes the General Fund, special revenue funds, capital projects funds, debt service funds and permanent funds. The Government Fund Balance and Reserve Policy intends to ensure that when both restricted and unrestricted fund balances are available, restricted amounts are used first, and that unrestricted funds are used in the following order: committed, assigned, and unassigned.

The overall objective of the Government Fund Balance and Reserve Policy is to maintain a General Fund unassigned fund balance of at least 25 percent of the fiscal year's estimated discretionary revenue. The County considers property tax, local sales tax (not Prop. 172 public safety sales tax), documentary transfer tax, tobacco settlement revenue, motor vehicle in lieu fees, fines and penalties, franchise fees, mitigation fees and interest earnings as discretionary revenue. A portion of this fund balance may be separately identified for one-time or short-term coverage of budgetary crises. If unassigned fund balance is drawn below 25 percent, the County Executive Office is required to develop a plan to restore it to the minimum level within three years. Special revenue fund balances are to be kept at or above the minimum level dictated by the funding source and should not fall below zero. If the fund balance drops below minimum levels, the department responsible for the fund will develop a plan to restore the balance to established minimum levels within two years.

Pension Management Policy. In January 2005, the County adopted Board Policy No. B-25, Pension Management Policy, which was last revised in March 2022 as the Pension Management and Other Post-Employment Benefits (the "Pension Management Policy") policy. The County has created this policy to ensure the financial stability of the County through proper management. The purpose is to safeguard the public trust by assuring prudent decisions regarding the County's pension plans, Other Post-Employment Benefits (OPEB), Section 115 Trusts (Pension and OPEB), and other retirement or termination related items such as compensated absences for employees' accrued annual, vacation or sick leave balances, providing proper oversight of the benefits provided, and their associated cost. This Policy applies to all County defined benefit pension plans currently administered by the California Public Employees Retirement System ("CalPERS"), the Section 115 OPEB Trust administered by California Employers' Benefit Trust (CERBT), the Temporary and Part-Time Employees' Retirement Plan (a defined benefit program for its Temporary Assistance Program ("TAP") employees) administered by the County, and the Section 115 Pension Trust administered by Public Agency Retirement Services (PARS), collectively the "Plans".

The County bears the ultimate responsibility to meet its pension obligations. The County sets contribution rates sufficient to pay any amounts due to CalPERS, capture the full cost of annual debt service on pension obligation bonds outstanding, collect designated annual contributions that the County has established with its liability management fund and its Section 115 Pension Trust(s) in connection with the issuance of such bonds, and pay consultants hired to assist the Pension Advisory Review Committee ("PARC"). Withdrawal of a group of employees from participation in the plans does not necessarily trigger a distribution of assets. If any employee group or department separates from the County, the associated actuarial liability and pension are subject to independent actuarially determined "true value." All contracts or grants are required to include the full amount of estimated pension cost in the contract or grant by Board policy. Upon the termination of such contracts or grants, a termination payment may be negotiated to reflect any unfunded liability associated with such employees.

The County established PARC in September 2003. The purpose of PARC is to develop a better institutional understanding of the County's Plans and to advise the Board of Supervisors on important matters concerning the Plans. PARC reports annually to the Board of Supervisors on the performance of the Plans and evaluates strategies to address appropriate funding of the Plans. As part of such activities, PARC annually receives an independent, third-party actuarial report on the County's pension cost projections in order to ensure that the County has adequate information concerning its long-term pension obligations.

PARC is comprised of a representative from the County Executive Office, County Treasurer-Tax Collector, Human Resources Director, County Auditor-Controller, and a local safety member department representative. PARC meets at least annually or as necessary upon the call of the Chairperson to address County pension plan topics. Each year, PARC prepares a public report of the status of the Plans and analysis of CalPERS's most recently available actuarial report, the Temporary and Part-Time Employees' Retirement plan, the Other Post-Employment Benefits plan and Section 115 OPEB Trust and, the County's Section 115 Pension Trusts. PARC reviews proposed changes to benefits or liability amortization schedules and, provides the Board of Supervisors with an analysis of the long-term costs and benefits.

Issuance of pension-related debt is reviewed first by PARC. The County has established a liability management fund in connection with the initial debt issuance and may do so with any future issuance and/or a Section 115 Pension Trust. Such liability management funds and Section 115 Pension Trusts are funded by projected savings from issuance and only used to retire pension bond debt or transferred to CalPERS to reduce unfunded liability. PARC makes annual recommendations regarding prepayment of CalPERS pension obligations, and potential savings from such early payment.

Debt Management Policy. Board Policy No. B-24, Debt Management Policy (the "Debt Management Policy"), adopted in October 2003 and last revised in November 2017, was created to ensure the financial stability of the County, reduce the County's cost of borrowing, and protect the County's credit quality through proper debt management. The Debt Management Policy applies to all direct County debt, conduit financing and land secured financing. Long-term debt is not used to finance ongoing operational costs. When possible, the County pursues alternative sources of funding, such as pay-as-you-go or grant funding, to minimize the level of direct debt. The County uses special assessment revenue, or other self-supporting debt instead of General Fund debt whenever possible. Debt issued may not have a maturity date beyond the useful life of the asset acquired or constructed. Long-term, General Fund obligated debt is incurred, when necessary, to acquire land or fixed assets based upon project priority and ability of the County to pay. The project should be integrated with the County's long-term financial plan and capital improvement program.

The County establishes an affordable debt level to preserve credit quality and ensure sufficient revenue is available to pay annual debt service. The debt level is calculated by comparing seven percent of discretionary revenue to aggregate debt service, excluding self-supporting debt. The policy provides for a variable rate debt ratio in an amount not to exceed 20 percent of the total outstanding debt, excluding variable rate debt hedged with cash, cash equivalents, or a fixed-rate swap.

When it benefits the County's financial or operating position, the County reviews outstanding debt and initiates fixed rate refundings. The term of such refunding does not extend the maturity beyond the original debt without compelling justification.

Each County department, agency, district or authority managing debt observes applicable state and federal regulations and laws regarding disclosure in all financings, files annual reports and material event notices with appropriate state and/or federal agencies in a timely manner, and provides an annual certificate to the Debt Advisory Committee of its compliance or noncompliance with state and/or federal disclosure laws.

The County established the Debt Advisory Committee ("DAC") in 2003. DAC reviews all proposed County-related financings at least once prior to approval by the Board of Supervisors. DAC has seven members, including a representative from the County Executive Office, as chair, the County Treasurer-Tax Collector, the County Auditor-Controller, County Counsel, the Office of Economic Development, Community Facilities District/Assessment District Administrator, and the General Manager and Chief Engineer of the Flood Control and Water Conservation District. DAC meetings are held monthly or as called upon by the chair. Each proposed financing brought before DAC is required to include a detailed description of the type and structure of the financing, full disclosure of the specific use of the proceeds, a description of the public benefit to be provided by the proposed debt, the principal parties involved in the financing, anticipated sources of repayment, an estimated statement of sources and uses, any proposed credit enhancement, the anticipated debt rating, if any, and an estimated debt service schedule. DAC acts on actions brought before it with either a "Review and File" or "Review and Recommend" action to the full Board of Supervisors.

Investment Policy. Board Policy No. B-21, County Investment Policy (the "Investment Policy"), adopted in April 1999 and last revised in May 2022, safeguards public funds by assuring the County follows prudent investment practices and provides proper oversight of these investments. The policy applies to all funds held in the County Treasury, and to those held in trust outside of the County Treasury. The County Treasurer-Tax Collector annually presents its statement of investment policy to the County Investment Oversight Committee for review and to the Board of Supervisors for approval. The Treasurer's authority to make investments is reviewed annually, pursuant to state law. All investments are governed by restrictions defining the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards and applicable purchase restrictions. The Treasurer-Tax Collector actively manages the investment portfolio in a manner responsive to the public trust and consistent with state law with the objectives to safeguard investment principal, maintain sufficient liquidity to meet daily cash flow requirements, and achieve a reasonable yield on the portfolio consistent with these objectives.

Capital Improvement Program. The Capital Improvement Program ("CIP") is the capital planning mechanism for new facilities, major facility expansions, and purchases of large capital assets. In August 2002, the Board of Supervisors adopted Policy No. B-22, which was last revised in December 2015 and is used as a guiding strategy to establish funding methods, administration and control, and allowable uses of the CIP funds. The CIP team, led by the Executive Office, evaluates immediate and long-term capital needs, as well as financing and budget requirements, in order to best use the County's limited capital funds.

Capital facilities approved under the CIP are funded through the following sources:

(a) The Capital Improvement Program fund accounts for capital expenditures associated with various projects. The CIP fund receives bond proceeds, project-specific resources, and contributions from the General Fund, as required. In 2007, the Board of Supervisors approved the securitization of future cash flows of tobacco settlement revenue. The action resulted in a one-time payment of cash to be used for qualifying General Fund capital projects;

(b) Development Impact Fees ("DIF") required by local governments of new development for the purpose of providing new or expanded public capital facilities required to serve that development. The fees typically require cash payments in advance of the completion of development, are based on a methodology and calculation derived from the cost of the facility and the nature and size of the development, and are used to finance improvements offsite of, but to the benefit of, the development. In the County, DIF pays for Board-authorized projects. Projects and eligible funding amounts are published within the public facilities needs list, which is updated every ten years. The list is the official public document that identifies facilities eligible for financing in whole or in part, through DIF funds levied on new development within unincorporated Riverside County. The County is in the process of developing the public facilities needs list as part of its DIF 2030 Nexus Study. There is no General Fund cost associated with this fund;

(c) The Cabazon Community Revitalization Act Infrastructure Fund was established pursuant to Board action taken on December 10, 2013, directing that 25% of the growth in sales and use tax from the expansion of the factory outlets in Cabazon be set aside in a separate fund for infrastructure improvements and public safety in that area;

(d) The Wine Country Community Revitalization Act Infrastructure fund was similarly approved to allocate 25% of the sales and use tax in the wine country area to assist with development of the wineries; and

(e) The Mead Valley Infrastructure Fund was similarly approved to direct 25% of future sales and use tax revenue growth of the specified commercial/industrial zone for infrastructure and public services in the Mead Valley community.

The CIP process allows the County to fully account and plan for capital projects that will have a major impact to the County's annual budget, future staffing levels and service to the public. The CIP allows the County to anticipate and plan for future capital needs, as well as prioritize multiple projects to maximize the use of county's limited capital funds. CIP projects include professional facilities services and associated capital improvements with a combined project value over $100,000, including but not limited to: master planning for public facilities, acquisition of land for a county facility, acquisition of buildings, construction or expansion of county facilities, fixed assets, enhancements to county facilities that will be used, occupied or owned by a County entity; major leases over $1 million and changes/revisions to current projects on the CIP list; or any County facilities project requiring new net county cost.

The CIP team solicits project lists from departments through the Assistant County Executive Officers (ACEOs) of each portfolio. Each ACEO provides their prioritized list to the County Executive Officer and Executive Management team to develop a County-wide ranked priority list for capital projects. Adjustments are made as needed, if funding is available. Any appropriations remaining in the fund at the end of the fiscal year will automatically carry forward into the next fiscal year.

Budgetary Process

General. Under the California Government Code, the County must approve a recommended budget by June 30 of each year as the legal authorization to spend until the approval of the adopted budget. An adopted budget reflecting any revisions to the recommended budget must be approved by the Board of Supervisors no later than October 2. The recommended and adopted budgets must be balanced.

Subsequent to the approval of the adopted budget, the County may make adjustments to reflect revenue, as realized, and to record changes in expenditure requirements. For example, in recent years, the County, like many other counties, has adopted a budget in advance of the adoption of the State budget and has been required to make adjustments in certain circumstances upon the passage of the State budget. The County conducts quarterly reviews, with major adjustments generally addressed at the end of the first, second and third quarters.

Five-Year Forecast. To ensure prudent financial management, the County maintains a five-year internal budget forecast based on conservative revenue assumptions derived internally and from information provided by external consultants and includes projections in the out years for labor and pension increases. The current forecast reflects a continuing trend of cost increases outpacing revenue growth, such that without corrective action steps taken, structural balance would not likely be attained, and the 25% reserve target implemented by the Board of Supervisors would not be met in Fiscal Years 2023-24 through 2027-28. In Fiscal Years 2018-19 and 2019-20, the County's reserves exceeded the target. The County's reserves also exceeded the target in Fiscal Year 2020-21, due to CARES Act reimbursement of General Fund costs related to COVID-19, and in Fiscal Year 2021-22, due to increasing revenues as well as $12.6 million in unspent contingency funds. Factors driving cost increases include increased labor, medical and pension costs, and unanticipated one-time costs. See "SECTION IV—FINANCIAL INFORMATION—Labor Relations" and "—Retirement Program." The County has a number of strategies to address these challenges, such as targeted reductions to the net County cost, keeping new requests to a minimum, identifying one-time vs. ongoing revenues and reducing vacant full-time positions. The County's practice has been to apply one-time revenues towards the rebuilding of reserves or mission critical one-time costs and assumes that budgetary shortfalls will not be backfilled with discretionary revenues.

Fiscal Year 2022-23 Budget

On June 21, 2022, following budget hearings held by the Board of Supervisors on June 13 and 14, 2022, the Board approved the Fiscal Year 2022-23 Budget (the "Fiscal Year 2022-23 Budget") which includes total General Fund appropriations of approximately $4.3 billion. For Fiscal Year 2022-23, the County estimates that approximately 64.8% of its General Fund budget revenues in the Fiscal Year 2022-23 Budget will consist of payments from the State and Federal government. Discretionary revenue is budgeted at approximately $1.013 billion for Fiscal Year 2022-23, an increase of approximately 10% from the Adopted Budget for Fiscal Year 2021-22. The increase is due primarily to modestly rising property-related tax revenues, as well as sales tax and interest earnings. The Fiscal Year 2022-23 Budget is structurally balanced with discretionary spending of approximately $1.013 billion. Property tax revenue is budgeted at approximately $459.4 million (including $140.6 million in redevelopment tax increment pass-through funds) for Fiscal Year 2022-23 and represents approximately 45.3% of the County's discretionary revenue. Property tax estimates assume an increase in assessed valuation in Fiscal Year 2022-23 of 6% from Fiscal Year 2021-22. In addition, the County estimates that sales tax revenue will increase by 28.4% from Fiscal Year 2021-22.

As part of its ongoing efforts, the County Executive Office continues to engage in analyses and discussions with the various County departments to maximize the use of available resources and identify and implement steps necessary to align departmental spending with allocated net County cost. The County's General Fund unassigned fund balance at the end of Fiscal Year 2022-23 was projected at approximately $368 million, which is approximately $115 million above Board policy.

Midyear Budget Report

On February 28, 2023, the County Executive Officer presented the Fiscal Year 2022-23 Midyear Budget Report to the Board. At the end of the second quarter, the County's financial position improved relative to the Adopted Budget. As a result of an investment in capital improvement projects, there was a $16 million increase in one-time net County cost from $1.013 billion to $1.029 billion, while discretionary revenue was projected higher by $89 million from $1.013 billion to $1.102 billion. The largest increases in revenue were primarily attributable to property taxes, and interest earnings due to the Federal Reserve increasing short-term interest rates. The County's General Fund unassigned fund balance updated projection is to end the year at approximately $537 million, approximately $261 million above Board policy.

Third Quarter Budget Report

On May 23, 2023, the County Executive Officer presented to the Board of Supervisors the Fiscal Year 2022-23 Third Quarter Budget Report. The County's projected discretionary revenue estimates have increased from the Adopted Budget by approximately $88 million (from $1.013 billion to $1.102 billion). Approximately $70 million of the increase to the County's projected discretionary revenue estimates can be attributed to a property tax increase of $36 million, and interest earnings increase of $34 million. In addition, while not discretionary revenue, the Prop. 172 public safety sales tax estimate by HdL Companies is revised higher by $13.3 million. Net County cost projections remains the same as midyear at $1.029 billion from $1.013 billion. In the Third Quarter Budget Report, the County is projecting that the General Fund unassigned fund balance will end the year at approximately $536 million, approximately $261 million above Board Policy.

Fiscal Year 2023-24 Recommended Budget

[SECTION TO BE UPDATED ONCE RECOMMENDED BUDGET IS AVAILABLE] On June 12 and 13, 2023, the Board of Supervisors will hold budget hearings regarding the Fiscal Year 2023-24

Recommended Budget (the "Recommended Budget") which includes total General Fund appropriations of approximately $4.98 billion. For Fiscal Year 2023-24, the County estimates that approximately 66.9% of its General Fund budget revenues in the Recommended Budget will consist of payments from the State and Federal government. Discretionary revenue is budgeted at approximately $1.143 billion for Fiscal Year 2023-24, an increase of approximately 13% from the Adopted Budget for Fiscal Year 2022-23. The increase is due primarily to modestly rising property-related tax revenues, as well as interest earnings and sales tax. The Recommended Budget is structurally balanced with discretionary spending of approximately $1.125 billion. The remaining $18 million will be set aside in reserves and a deferred maintenance fund. Property tax revenue is budgeted at approximately $505 million (including $160 million in redevelopment tax increment pass-through funds) for Fiscal Year 2023-24 and represents approximately 44% of the County's discretionary revenue. Property tax estimates assume an increase in assessed valuation in Fiscal Year 2023-24 of 7% from Fiscal Year 2022-23. In addition, the County estimates that sales tax revenue will increase by 15% from Fiscal Year 2022-23.

The County's reserve balance at the end of Fiscal Year 2023-24 is projected at approximately $536 million, approximately $250 million above Board policy. The final budget for Fiscal Year 2023-24 is expected to be presented to the Board of Supervisors for approval on June 27, 2023.

Historical Budgets

The following table sets forth the General Fund budgets for the last five fiscal years as initially adopted by the Board of Supervisors. During the course of each fiscal year, a budget may be amended to reflect adjustments to receipts and expenditures that have been approved by the Board of Supervisors.

TABLE 12
COUNTY OF RIVERSIDE
ADOPTED GENERAL FUND BUDGETS[1]
FISCAL YEARS 2018-19 THROUGH 2022-23
(IN MILLIONS)

	2018-19 Budget[2]	*2019-20 Budget*	*2020-21 Budget*	*2021-22 Budget*	*2022-23 Budget*
REQUIREMENTS					
General Government	$ 140.9	$ 156.4	$ 226.7	$ 235.7	$ 267.0
Public Protection	1,445.6	1,513.8	1,605.1	1,695.0	1,879.8
Health and Sanitation	678.8	737.2	764.2	786.4	904.5
Public Assistance	1,002.5	1,049.4	1,156.8	1,211.4	1,225.8
Education	0.7	0.7	0.6	0.7	0.7
Recreation and Cultural	0.5	2.2	2.1	3.3	4.4
Debt Retirement-Capital Leases	10.5	14.5	14.5	19.1	21.9
Contingencies	14.9	17.6	20.0	20.0	20.0
Increase to Reserves	21.0	19.6	0.0	0.0	0.0
Total Requirements[2]	$ 3,315.4	$ 3,511.4	$ 3,790.0	$ 3,971.6	$ 4,324.1
AVAILABLE FUNDS					
Use of Fund Balance and Reserves	$ 0.0	$ 0.0	$ 60.8	$ 73.8	$ 36.7
Estimated Revenues:					
Property Taxes	313.4	333.9	357.0	397.3	439.6
Other Taxes	3.4	4.6	4.2	5.9	7.2
Licenses, Permits and Franchises	19.1	20.8	20.5	21.0	21.9
Fines, Forfeitures and Penalties	60.1	62.5	76.1	62.9	59.0
Use of Money and Properties	26.5	28.2	15.0	15.8	24.9
Aid from Other Governmental Agencies:					
State	1,462.5	1,547.9	1,637.0	1,726.1	1,824.9
Federal	681.6	718.6	780.5	837.9	943.7
Charges for Current Services	596.1	627.3	643.8	640.1	720.1
Other Revenues	152.7	167.6	195.1	190.8	246.1
Total Available Funds[3]	$ 3,315.4[4]	$ 3,511.4[4]	$ 3,790.0	$ 3,971.6	$ 4,324.1

(1) Data source is the official budget documents submitted to the State Controller's Office. Figures do not reflect quarterly amendments or adjustments.

(2) Updated to disclose General Government requirement and Increases to Reserves in order to balance discretionary revenues that are reflected as a portion of budgeted General Fund revenue.

(3) Column numbers may not add up to totals due to rounding.

(4) Includes use of reserves of $21.0 million in Fiscal Year 2018-19 and $19.6 million in Fiscal Year 2019-20 to balance discretionary revenue that are reflected as a portion of budgeted General Fund revenue.

Source: County Auditor-Controller.

SECTION IV - FINANCIAL INFORMATION

Employees

The following table sets forth the number of County employees for the last ten years.

TABLE 13
COUNTY OF RIVERSIDE
REGULAR EMPLOYEES

Year	*Regular Employees*[(1)]
2013	18,728
2014	18,620
2015	19,244
2016	19,404
2017	19,409
2018	19,102
2019	19,569
2020	20,131
2021	20,270
2022	20,656
2023	21,667

(1) As of December 31st of each year for years 2013 through 2022; as of April 1 for year 2023. Excludes temporary and per diem employees.
Source: County of Riverside Human Resources.

Labor Relations

County employees comprise 19 bargaining units, plus another 9 unrepresented employee groups. The bargaining units are represented by six labor organizations. The two largest of these organizations are Service Employees International Union, Local 721 ("SEIU") and the Laborers International Union of North America ("LIUNA"), which collectively represent approximately 68.6% of all County employees in a variety of job classifications*. Salary, benefits and personnel items for management, confidential and other unrepresented employees which are exempt from collective bargaining, are governed by a County Resolution and Ordinance which contain provisions for these personnel related matters.

The County's non-management law enforcement employees are represented by the Riverside Sheriffs' Association ("RSA"). The RSA represents three separate units: Law Enforcement Unit "RSA LEU," Corrections Unit "RSA Corrections," and Public Safety Unit "RSA PSU." Management employees of the law enforcement group are represented by the Riverside County Law Enforcement Management Unit ("LEMU"). The Public Defenders, County Counsel and Prosecuting Attorneys of the District Attorney's Office are represented by the Riverside County Deputy District Attorneys Association ("RCDDAA"). SEIU also represents the Per Diem Unit which are classifications that are the equivalent to the regular SEIU classifications however, in a Per Diem capacity.

* This percentage is calculated based off of regular, temporary, and per diem employees for all groups.

The following table presents information regarding the County's bargaining units and status of its collective bargaining agreements.

TABLE 14
COUNTY OF RIVERSIDE
LABOR ORGANIZATIONS[1]

Bargaining Units or Employee Group	*Number of Employees[2]*	*Expiration Date of Contract*
Management, Confidential, and Other Unrepresented	1,521	N/A
Law Enforcement Management Unit (LEMU)	457	February 1, 2026
Riverside County Deputy District Attorneys' Association (RCDDAA)	405	December 31, 2025
Riverside Sheriffs' Association (RSA) LEU	1,556	December 9, 2024
Riverside Sheriffs' Association (RSA) Corrections	956	December 9, 2024
Riverside Sheriffs' Association Public Safety Unit (RSA)	497	October 26, 2025
Service Employees International Union (SEIU)	7,795	January 29, 2024
Service Employees International Union (SEIU) Per Diem Unit	410	November 30, 2024
Laborers' International Union of North America (LIUNA)	7,281	October 19, 2024
In-Home Supportive Services (IHSS)	N/A[3]	December 31, 2025
Total	20,878	

(1) Includes all County districts.
(2) As of January 1, 2023. Excludes temporary, unrepresented per diem, and seasonal employees. Includes (SEIU) Per Diem Unit.
(3) The IHSS Public Authority is only the employer of record within the meaning of Government Code Section 3500 et seq. (Meyers-Milias-Brown Act) which allows the home care workers to organize and engage in collective bargaining in an effort to improve wages and obtain benefits. Home care workers are employed by the consumers of the services, who have the right to hire, train, supervise and terminate the home care workers who assist them.

Source: County of Riverside Human Resources.

In the most recent contracts, increases of 2% to 8% were offered over a period of years to increase the salary range maximum. Additionally, the County moved units/employee groups from salary steps to broad banding. Anniversary increases will occur in 4% increments. In order to make the County more competitive in the market, the County eliminated a range of bottom steps from each classification. The County also provides a subsidy to employees with one or more dependents enrolled in a County medical plan to help pay for the cost of health care. The County believes that its benefits and compensation packages are competitive in the region.

Retirement Program

General. The County provides retirement benefits to all regular County employees through its contract with California Public Employees' Retirement System ("CalPERS"), a multiple-employer public sector employee defined benefit pension plan. The retirement plan, as amended, provides pension benefits for eligible employees in the Miscellaneous and Safety Plans (herein defined), with CalPERS. CalPERS provides service and disability retirement benefits, annual cost-of-living adjustments and death benefits to CalPERS members and beneficiaries. The retirement benefits are based on years of service, benefit factor (determined by age at retirement), and final compensation which is the highest average pay rate and special compensation during any consecutive one-year period of employment (for Tier 1 employees) or three-year period of employment (for Tier 2 and Tier 3 employees). The benefit calculation for members is the product of the benefit factor (based on age), years of service, and final compensation. Due to pension reform, the County's retirement plan currently includes three tier levels of benefits.

TABLE 15
COUNTY OF RIVERSIDE
EMPLOYEES PER RETIREMENT TIER[1]
(As of January 1, 2023)

Tier Level	*Number of Employees in Tier Level*
Tier 1	8,037
Tier 2	812
Tier 3	11,947
Total	20,796

(1) Excludes districts, temporary, per diem, and seasonal employees.
Source: County of Riverside Human Resources.

Miscellaneous members, who qualify for retirement benefits based on their date of hire, are enrolled in one of three tiers of benefits Tier I (3% at 60), Tier II (2% at 60), or Tier III (2% at 62). Safety members, who qualify for retirement benefits based on their date of hire, are enrolled in one of three tiers of benefits Tier I (3% at 50), Tier II (2% at 50), or Tier III (2.7% at 57). The three tiers of retirement benefits all provide for cost-of-living adjustments of up to 2% per year after retirement. For further information on the County's pension obligations, see Note 20 of the Notes to Basic Financial Statements, June 30, 2022, which are included in APPENDIX B — "COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

The Board of Supervisors approved a second tier ("Tier II") level of retirement benefits for new Miscellaneous and Safety employees and on August 23, 2012, the County implemented a Tier II retirement benefit applicable to employees first employed by the County after August 23, 2012. The Tier II retirement benefit calculation is based on years of service, age, and the average monthly eligible wages earned during the highest three consecutive years of employment. The Tier II retirement benefit factor for Miscellaneous Plan members ranges from 1.092% at age 50 to 2.418% at age 63 and beyond. For Safety Plan members, the Tier II retirement benefit factor ranges from 2% at age 50 to 2.7% at 55 and beyond. The plans also provide for cost-of-living adjustments of up to 2% per year after retirement.

On September 12, 2012, Governor Brown signed Assembly Bill 340, creating the Public Employees' Pension Reform Act ("PEPRA") and amending certain sections of the County Employees Retirement Law of 1937 (the "1937 Act"). The majority of the PEPRA changes first impacted the rates and benefit provisions on the June 30, 2013 valuation for Fiscal Year 2015-16 rates. Among other things, PEPRA created a new retirement benefit tier ("Tier III") for new employees/members entering public agency employment and public retirement system membership for the first time on or after January 1, 2013.

The new Tier III formulas for both Miscellaneous and Safety provide for a reduced benefit and was required to be implemented by all public agency employers unless the retirement formula in existence on December 31, 2012 had both a lower normal cost and lower benefit factor at normal retirement age. PEPRA requires that all new employees hired on or after January 1, 2013, pay at least 50% of the normal cost contribution. Tier III benefits are set 2% at 62 for Miscellaneous members and 2.7% at 57 for Safety members. PEPRA mandated all new members be subject to a pensionable compensation cap, which limits the annual salary that can be used to calculate final compensation for all new members. Adjustments to the limits are permitted annually based on changes to the Consumer Price Index (CPI) for all urban consumers.

The County's CalPERS Contract. The following information concerning CalPERS is excerpted from publicly available sources that the County believes to be reliable; however, the County takes no responsibility as to the accuracy of such information and has not independently verified such information. CalPERS acts as a common investment and administrative agent for participating public entities within the State. CalPERS is a contributory plan deriving funds from employee and employer contributions and earnings from investments.

CalPERS maintains two pension plans for the County, a Miscellaneous Plan (the "Miscellaneous Plan") and a Safety Plan (the "Safety Plan" and, together with the Miscellaneous Plan, the "CalPERS Plans"). The County contributes to CalPERS based on the annual actuarial valuation rates recommended by CalPERS.

The staff actuaries at CalPERS prepare an annual actuarial valuation which covers a fiscal year ending approximately 12 months before the actuarial valuation is prepared (thus, the actuarial valuation delivered to the County in July 2022 will dictate what the County contributes in Fiscal Year 2023-24 for CalPERS' Fiscal Year 2020-21). Beginning with Fiscal Year 2017-18, CalPERS collects employer contributions toward the CalPERS Plans' unfunded liability as dollar amounts instead of the prior method of a contribution rate (expressed as a percent of covered payroll). This change addressed potential funding issues that could arise from a declining payroll or reduction in the number of active members in a CalPERS Plan. Funding the unfunded liability as a percentage of payroll could lead to the underfunding of the CalPERS Plans. The County is invoiced by CalPERS at the beginning of each fiscal year for its unfunded liability payments. The CalPERS Plans' normal cost contribution continues to be collected as a percentage of payroll. The County's contribution rates derived from the actuarial valuation as of June 30, 2021, which was prepared in July 2022, is effective for the County's Fiscal Year 2023-24. CalPERS rules require the County to implement the actuary's recommended rates.

In calculating the annual actuarially required contribution rates, the CalPERS actuary calculates on the basis of certain assumptions regarding the actuarial present value of the benefits that CalPERS will pay under the CalPERS Plans, which includes two components, the Normal Cost and the Unfunded Accrued Actuarial Liability (the "UAAL"). The normal cost represents the actuarial present value of benefits that are attributed to the current year, and the UAAL represents the actuarial present value of benefits that are attributed to past years. The UAAL represents an estimate of the actuarial shortfall between assets on deposit at CalPERS and the present value of the benefits that CalPERS will pay under the CalPERS Plans to retirees and active employees upon their retirement. The determination of both components is based on a set of actuarial assumptions which can be divided into two categories: demographic assumptions (which includes mortality rates, retirement rates, employment termination rates and disability rates) and economic assumptions (which includes future investment earnings, inflation and salary growth rates). In addition, the UAAL includes certain actuarial adjustments such as, among others, the actuarial practice of smoothing losses and gains over multiple years.

CalPERS staff actuaries prepare annual actuarial valuations calculating the plan's funded status at the valuation date, most recently June 30, 2021, based on census data and asset information as of that date. That valuation sets the County's required contribution for the 2nd following fiscal year (the 2021 valuation sets the Fiscal Year 2023-24 required contribution). The cost of retirement benefits earned in each year, the Normal Cost, is paid to CalPERS each payroll period as a percentage of actual covered payroll. Active employees pay a portion of the normal cost, either a fixed percentage of covered pay as specified by law or for newer employees, ½ of the Normal Cost. The County pays the remainder of the Normal Cost. The actuarial valuation also calculates the County's unfunded actuarial accrued liability (UAAL), which is the difference between the value of employees' and retiree's past service-related retirement benefits and plan assets. New UAAL created each year, positive or negative, is amortized and repaid to CalPERS by the County as an escalating annual payment. As of June 30, 2021, the County's UAAL has 26 amortization bases with between 1 and 26 years remaining in their contribution schedule of amortization bases.

CalPERS adopted a new amortization policy effective with the June 20, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a 5-year ramp-up and ramp-down on UAAL bases attributable to assumption and method changes and non-investment gains/losses. The new policy also does not utilize a 5-year ramp-down on investment gains/losses. These changes will apply only to new UAAL bases established on or after June 30, 2019.

In calculating the plan costs, CalPERS uses many actuarial assumptions. Most significantly, future investment return is assumed to be 7.00% per year, net of both investment and administrative expenses. (Note that for financial reporting purposes under GASB Statement 68, the assumed rate of return is 6.90% which is net of only investment expenses.) The underlying inflation rate is 2.30%. Demographic assumptions are based on studies of actual member experience and include 15 years of projected mortality improvement.

On November 18, 2015, the CalPERS Board adopted a Funding Risk Mitigation Policy. The Policy seeks to reduce CalPERS funding risk over time. A mechanism will be established to reduce the discount rate, or assumed rate of return, by a minimum of 0.05 percentage points to a maximum of 0.25 percentage points in years when investment returns outperform the existing discount rate by at least two percentage points. At the same time, CalPERS strategic asset allocation targets will be adjusted to reduce risk. The policy will incrementally lower the discount rate in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers.

On July 12, 2021, CalPERS announced that the 21.3% net return on investments for the 12-month period that ended June 30, 2021, will trigger a reduction in the discount rate or assumed rate of return, and will drop to 6.8%, from its current level of 7%. The new discount rate will be reflected in the contribution levels in Fiscal Year 2023-24.

Copies of the County's actuarial valuations are available on CalPERS website, *https://www.calpers.ca.gov/*.

Contribution Rates. In addition to required County contributions, members are also obligated to make certain payments. For the Miscellaneous Plan, Tier I members' contribution rates are fixed at 8% of salaries. The Tier II and III member contribution rates for the Miscellaneous Plan are 7% and 7.25%, respectively. For the Safety Plan, the Tier I and Tier II member contribution rate is 9%, and the Tier III member contribution rate is 12.50%. Member contribution rates vary based on the terms of the collective bargaining agreements in effect. In addition to making annual contributions to CalPERS in accordance with the applicable actuarial valuation, the County has historically been obligated pursuant to collective bargaining arrangements to pay a portion of the employees' required contribution to CalPERS (these payments by the County are referred to herein as the "County Offsets of Employee Contributions"). Effective July 1, 2023, the required Safety Plan PEPRA member contribution rate will be 13.50% and the Miscellaneous Plan will be 7.25%.

Funding Status. The actuarial value of assets, the actuarial accrued liability and the funding status with respect to the Safety Plan and the Miscellaneous Plan are set forth under "— Historical Funding Status." In the actuarial valuation for the Miscellaneous Plan as of June 30, 2021, the CalPERS actuary recommended an employer normal cost contribution rate of 11.79% (projected to be $155 million) be implemented as the required rate for Fiscal Year 2023-24, and an employer unfunded liability payment of $148.8 million, which the County anticipates will result in a contribution to CalPERS of approximately $303.9 million for that fiscal year. In the actuarial valuation for the Safety Plan as of June 30, 2021, the CalPERS actuary recommended an employer normal cost contribution rate of 21.73% (projected to be $76.4 million) be implemented as the required rate for Fiscal Year 2023-24, and an employer unfunded liability payment of $54.6 million, which the County anticipates will result in a contribution to CalPERS of approximately $131.0 million for that fiscal year. The County's total CalPERS contribution (Miscellaneous Plan and Safety Plan) for Fiscal Year 2023-24 is projected to be approximately $434.9 million. The County generally pays the unfunded liability payments early, at the beginning of each fiscal year, and receives a discount of approximately ½ years' interest.

On February 17, 2005, the County issued its Taxable Pension Obligation Bonds, Series 2005A (the "2005 Pension Obligation Bonds") in the original principal amount of $400,000,000, the proceeds of which were used to fund approximately 90% of the County's estimated actuarial accrued liability as of February 17, 2005. The 2005 Pension Obligations Bonds remain outstanding in the principal amount of $126.9 million as of February 15, 2023, with annual debt service payments (principal and interest for FY 2022-23) of approximately $41.7 million. The payment to CalPERS resulted in a net pension asset of $396.9 million, $311.2 million of which was applied to the County's UAAL for the Miscellaneous Plan and $85.7 million of which was applied to the County's UAAL for the Safety Plan. According to Foster & Foster, Inc., the 2005 Pension Obligation Bonds have resulted in a net estimated gain to the County of approximately $187.5 million as of February 15,

2023. A liability management fund was established in connection with the 2005 Pension Obligation Bonds. By Board policy, each year in its annual report, PARC recommends to the Board whether the funds in the liability management fund should be applied to purchase 2005 Pension Obligations Bonds or to transfer the funds to CalPERS to reduce the County's CalPERS unfunded liability. In 2016, PARC recommended to transfer the excess liability management funds to the Section 115 Pension Trust in each future year.

The County established its first Section 115 Pension Trust (the "Trust") in November 2016 with Public Agency Retirement Services ("PARS") serving as the administrator. The goal of the Trust is to help the County independently mitigate CalPERS' contribution rate volatility and act as a buffer for budgeting purposes. Assets in the Trust cannot be used for any other purposes except for making payments directly to CalPERS to pay down a portion of the unfunded liability or for reimbursing the County for CalPERS contributions. Excess funds from the Liability Management Fund and OPEB disbursements were placed in the Trust to fund the initial deposit of $2.1 million.

On May 6, 2020, the County issued its Taxable Pension Obligation Bonds, Series 2020 (the "2020 Pension Obligation Bonds") in the original principal amount of $719,995,000, the proceeds of which were used to refund up to approximately 20% of the County's total UAAL. The payments to CalPERS resulted in a net pension asset of $715.8 million, $371.5 million of which was applied to the County's UAAL for the Miscellaneous Plan and $344.3 million of which was applied to the County's UAAL for the Safety Plan. The 2020 Pension Obligations Bonds remain outstanding in the principal amount of $621.7 million as of February 15, 2023, with annual debt service payments (principal and interest for FY 2021-22) of approximately $53.4 million. According to Foster & Foster, Inc., the 2020 Pension Obligation Bonds have resulted in a net estimated gain to the County of approximately $68.1 million as of February 15, 2023. As part of the approval process in April 2020 for the sale of the 2020 Pension Obligation Bonds, the Board of Supervisors directed that the payment reductions (savings), estimated at $230.8 million over the eighteen-year life of the bonds, be captured each year and deposited into a dedicated Section 115 Pension Trust. The second Trust account was established in July 2020. Funds have since been dollar-cost averaged over time into the Trust(s) and now total a combined $76.2 million, as of March 31, 2023. Since inception, no funds have been drawn from the Trust(s).

Historical Funding Status. The following two tables, for the Safety Plan and the Miscellaneous Plan, respectively, set forth the UAAL and funded status as of the valuation dates of the last five years for which the data was available:

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TABLE 16
HISTORICAL FUNDING STATUS
(Safety Plan)

Valuation Date June 30	*Unfunded Accrued Liability*	*Funded Status (Market Value)*	*Affects County Contribution for Fiscal Year*	*County Contribution Amount*[(1)]	*County Offsets of Employee Contributions*
2017	$966,674,937	71.2%	2019-20	$133,860,833	$0
2018	1,089,696,531	70.4	2020-21	144,542,181	0
2019[(2)]	1,115,122,032	71.1	2021-22	118,247,426	0
2020	832,266,670	79.4	2022-23	124,872,869	0
2021	488,733,498	88.9	2023-24	131,038,288	0

(1) Figures listed are amounts paid by the County to CalPERS in the specific years and do not reflect all amounts paid by the County under the Safety Plan, as debt service with respect to the County's outstanding 2005 or 2020 pension obligation bonds, or otherwise.

(2) 2019 figure does not reflect the amount of $344.2 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2017 through June 30, 2021 (UAAL and Funded Status) and the County (County Contribution Amount and County Offsets of Employee Contributions).

TABLE 17
HISTORICAL FUNDING STATUS
(Miscellaneous Plan)

Valuation Date June 30	*Unfunded Accrued Liability*	*Funded Status (Market Value)*	*Affects County Contribution for Fiscal Year*	*County Contribution Amount*[(1)]	*County Offsets of Employee Contributions*
2017	$2,115,475,543	71.6%	2019-20	$265,021,457	$290,401
2018	2,416,961,672	70.4	2020-21	297,035,219	287,040
2019[(2)]	2,499,686,250	70.9	2021-22	283,962,428	279,811
2020	2,246,650,531	75.0	2022-23	295,705,279	260,801
2021	1,397,148,552	85.6	2023-24	303,959,728	183,145

(1) Figures listed are amounts paid by the County to CalPERS in the specific years and do not reflect all amounts paid by the County under the Miscellaneous Plan, as debt service with respect to the County's outstanding 2005 or 2020 pension obligation bonds, or otherwise.

(2) 2019 figure does not reflect the amount of $371.5 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2017 through June 30, 2021 (UAAL and Funded Status) and the County (County Contribution Amount and County Offsets of Employee Contributions).

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A six-year schedule of the funding progress of the Safety Plan and the Miscellaneous Plan are presented in the following two tables:

TABLE 18
SCHEDULE OF FUNDING PROGRESS
(Safety Plan)

Valuation Date June 30	*Accrued Liability (a)*	*Market Value of Assets (b)*	*Unfunded Liability (a-b)*	*Funded Status (Market Value) (b/a)*	*Annual Covered Payroll (c)*	*Unfunded Liability as a Percentage of Payroll ((a-b)/c)*
2016	$3,110,254,402	$2,151,981,845	$958,272,557	69.2%[1]	$338,809,025	282.8%
2017	3,361,565,098	2,394,890,161	966,674,937	71.2	328,400,573	294.4
2018	3,676,571,381	2,586,874,850	1,089,696,531	70.4	309,713,827	351.8
2019[2]	3,857,810,725	2,742,688,693	1,115,122,032	71.1	304,732,882	365.9
2020	4,045,933,495	3,213,666,825	832,266,670	79.4	316,205,748	263.2
2021	4,416,850,557	3,928,117,059	488,733,498	88.9	323,672,580	151.0

(1) As reported by CalPERS, decline due to a preliminary 0.61% net return on investments for the 12-month period that ended June 30, 2016.
(2) 2019 figure does not reflect the amount of $344.2 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.
Source: CalPERS Actuarial Valuation Reports for June 30, 2016 through June 30, 2021.

TABLE 19
SCHEDULE OF FUNDING PROGRESS
(Miscellaneous Plan)

Valuation Date June 30	*Accrued Liability (a)*	*Market Value of Assets (b)*	*Unfunded Liability (a-b)[2]*	*Funded Status (Actuarial Value) (b/a)*	*Annual Covered Payroll (c)*	*UAAL as a Percentage of Payroll ((a-b)/c)*
2016	$6,850,143,825	$4,799,576,566	$2,050,567,259	70.1%[1]	$1,090,295,411	188.1%
2017	7,441,270,302	5,325,794,759	2,115,475,543	71.6	1,128,397,500	187.5
2018	8,165,793,889	5,748,832,217	2,416,961,672	70.4	1,118,711,056	216.0
2019[2]	8,602,935,143	6,103,248,893	2,499,686,250	70.9	1,145,579,094	218.2
2020	8,992,723,006	6,746,072,475	2,246,650,531	75.0	1,182,860,410	189.9
2021	9,670,471,442	8,273,322,890	1,397,148,552	85.6	1,211,043,768	115.4

(1) As reported by CalPERS, decline due to a preliminary 0.61% net return on investments for the 12-month period that ended June 30, 2016.
(2) 2019 figure does not reflect the amount of $371.5 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.
Source: CalPERS Actuarial Valuation Reports for June 30, 2016 through June 30, 2021.

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The following table shows the percentage of salary which the County was responsible for contributing to CalPERS from Fiscal Year 2018-19 through Fiscal Year 2023-24 to satisfy its retirement funding obligations.

TABLE 20
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation Date June 30	*Affects Contribution Rate for Fiscal Year:*	*Safety Plan*	*Employer Payment of Unfunded Liability*	*Miscellaneous Plan*	*Employer Payment of Unfunded Liability*
2016	2018-19	18.464%[(1)]	$48,790,038	10.458%[(1)]	$100,265,926
2017	2019-20	19.853	62,876,977	10.998	129,905,894
2018	2020-21	21.095	73,668,397	11.673	155,375,654
2019	2021-22	20.740	49,686,992	11.160	145,275,743
2020	2022-23	20.240	55,446,291	10.760	157,637,843
2021	2023-24	21.730	54,629,206	11.790	148,845,017

(1) Beginning in Fiscal Year 2017-18, CalPERS collects employer contributions toward the plan's unfunded liability as dollar amounts rather than contribution rate, which was the prior method of collection. The County pays at the beginning of each fiscal year for its unfunded liability payment, receiving a discount of approximately ½ year's interest on the amounts listed above. The plan's normal cost contribution will continue to be collected as a percentage of payroll. See the caption "— The County's CalPERS Contract."

Source: CalPERS Actuarial Valuation Reports for June 30, 2016 through June 30, 2021.

Projected County Contributions. As described above under the heading "SECTION I— DEMOGRAPHIC AND ECONOMIC INFORMATION—General," in 2003 the County established the PARC, which annually prepares a report for the Board. PARC's 2023 Annual Report projects the following contribution to CalPERS (including both normal cost and UAAL amortization):

TABLE 21
PROJECTED COUNTY CONTRIBUTIONS
(Safety Plan)[(1)]

Fiscal Year	*County Rate*	*County Payment*
2022-23	47.2%	$161,966,000
2023-24	48.2	169,451,000
2024-25	49.1	177,434,000
2025-26	49.1	182,328,000
2026-27	51.0	194,710,000

(1) Projections are based on data from a report prepared by Foster & Foster, Inc. dated November 9, 2022 and include debt service on the County's 2005 and 2020 Pension Obligation Bonds.

Source: PARC 2023 Annual Report.

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TABLE 22
PROJECTED COUNTY CONTRIBUTIONS
(Miscellaneous Plan)[(1)]

Fiscal Year	*County Rate*	*County Payment*
2022-23	28.0%	$359,879,000
2023-24	28.2	370,495,000
2024-25	28.4	383,449,000
2025-26	27.9	387,249,000
2026-27	28.9	413,134,000

(1) Projections are based on data from a report prepared by Foster & Foster, Inc. dated November 9, 2022 and include debt service on the County's 2005 and 2020 Pension Obligation Bonds.
Source: PARC 2022 Annual Report.

The County's projections with respect to the County contributions reflect certain significant assumptions concerning future events and circumstances. The information and the related assumptions are future projections and are not to be construed as representations of fact or representation that in fact the information shown will be the correct amounts for the years indicated. Rather, these amounts reflect good faith estimates by the County taking into account a variety of assumptions. Variations in the assumptions may produce substantially different results. Actual results during the projection period may vary from those presented in the forecast, and such variations may be material. Accordingly, prospective investors are cautioned to view these estimates as general indications of trends and orders of magnitude and not as precise amounts.

The County's projected contribution rates are affected by the market rate of return in the CalPERS Plans and other changes that may be adopted by CalPERS from time to time, see "—The County's CalPERS Contract" above.

Other Retirement Plans. The County also provides a Defined Benefit Pension Plan (the "DBPP") to employees who are designated as a part-time or temporary employee and not eligible for Social Security or CalPERS retirement benefits through the County. This plan is subject to Internal Revenue Code Section 401(a) and is self-funded and self-administered. The County has set a goal of ensuring that the DBPP is at least 80% funded. Participants in the DBPP are required to contribute 3.75% of their eligible compensation to the DBPP in lieu of Social Security tax. As of June 30, 2022, the DBPP was funded at 81.6%, and the contribution level was 0%. However, the County has maintained the contribution rate of 5.58% to drive the funded status higher. The County's contribution to the DBPP was $811,519 for Fiscal Year 2020-21, $2,281,919 for Fiscal Year 2021-22 and $3,140,160 for Fiscal Year 2022-23. The DBPP's unfunded liabilities as of June 30, 2022, were approximately $12,678,329. Overall, the DBPP's plan's funded status decreased, and Net Pension Liability increased due to fewer terminations than expected and a large number of actives transferring to full-time, resulting in a net liability gain; assets were lower than expected due to unfavorable investment return on plan assets—17.4% actual compared to 6.0% assumed. Retirement and termination assumptions were updated to reflect results from the 2021 CalPERS Assumption study, resulting in small increases in liabilities. A large number of lump sum payments made at the end of Fiscal Year 2021-22 at a lower interest rate than the long term assumed rate resulted in a liability loss, and the salary increase assumption was updated from 2.75% to 2.80%, resulting in a small increase in liabilities.

Other Post-Employment Benefits (OPEB). The County provides certain post-retirement health insurance benefits to qualifying retired employees and their eligible dependents or survivors. Regular employees with a minimum service of five years and who are at least age 50, or age 52 if they became a CalPERS member on or after January 1, 2013, at retirement qualify to receive the post-retirement benefits.

The Board of Supervisors took action on October 25, 2006 to set aside $10 million as a contribution for OPEB. On November 7, 2007 the irrevocable OPEB Trust was established with the California Employers' Retiree Benefit Trust ("CERBT") and funded with a payment of $10.4 million. As of June 30, 2022, the OPEB Trust had a balance of $76.4 million.

In June 2015, GASB released Statement No. 75, which affects accounting for other post-employment benefit plans. Among other goals, GASB Statement No. 75 seeks to improve accounting and financial reporting by state and local governments for OPEB. The County adopted GASB Statement No. 75 in its audited financial statements for the fiscal year ended June 30, 2018. The changes include moving unfunded liabilities from the footnotes to the balance sheet, the potential for more volatile periodic expense and a change in the discount rate basis.

The County obtains actuarial valuations of its OPEB obligations from Aon, with the most recent calculated as of June 30, 2022. Based on the combination of plans and contribution levels that the County offers, assuming an investment rate of 7.0%, the present value of benefits was estimated to be $322.3 million, the accrued actuarial liability was estimated to be $247.5 million and the annual normal cost was $9.1 million. The County's OPEB funded ratio including implicit subsidy was 30.9% and excluding implicit subsidy, 58.2%.

According to the valuation, the County's funding contribution for Fiscal Year 2021-22 is approximately $16.3 million and approximately $14.1 million in Fiscal Year 2022-23. Pursuant to Board Policy B-25, Pension Management and Other Post-Employment Benefits, the County will follow a multi-year plan of improving its funded ratio. The current actuarial schedule projects the desired 80% minimum funding level, excluding implicit subsidy, would be reached in 2025 with $16.2 million to be charged to departments annually beginning in FY 2021-22, which currently, as a percentage of payroll, represents approximately 1.1%. Each year the annual required contribution to the Trust is evaluated and adjusted accordingly.

The valuation states that plan liabilities and annual costs are higher than the prior valuation, primarily due to increased plan participation (i.e., retirees electing coverage) for CalPERS and County participants. As the past years higher elections caused an increase in liabilities, the assumption was also increased to reflect this recent experience, resulting in an increase in liabilities exceeding $25 million. Beyond the higher participation impact, UAAL and costs are higher than expected based on a projection from the prior valuation, as a net result of the following factors: 1) a change to allow LIUNA groups to become eligible for CalPERS plans, 2) an update in the future plan participation assumption (i.e., retirees electing coverage), which both result in an increase in liability, and, 3) incorporated an explicit lapse assumption to better reflect the impact of retirees electing to drop coverage in the future, resulting in a decrease in liability. Furthermore, the increase is also due to: expected return on assets was reduced in the CERBT Strategy 2 account with an assumed return of 6.15% to 7.00%, reflecting higher expectations. As a result, the discount rate similarly decreased, resulting in an increase in liability. Deferred retirees eligible for CalPERS health plans elected coverage higher than previously assumed, resulting in a liability loss. Investment return was lower than expected, resulting in an asset loss.

In addition to the multi-year plan of adjusting annual required contributions to increase the funded ratio, at its January 2021 meeting, the Pension Advisory Review Committee reviewed and approved a dollar cost average transitioning from CERBT's Strategy 2 account (long-term expected return of 5.90%) into the Strategy 1 account (long-term expected return of 6.30%) over the course of twelve months.

Ad Valorem Property Taxes

General. Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate assessment rolls. The "secured roll" is that assessment roll containing locally assessed property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of growth in situs assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county wide or less than city wide special districts and school districts. In addition, the County levies and collects additional taxes for voter approved debt service and fixed charge assessments on behalf of any taxing agency and special districts within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after 5:00 p.m. on December 10 and April 10, respectively, and a ten percent penalty attaches. Property on the secured roll with unpaid delinquent taxes is declared tax-defaulted after 5:00 p.m. on June 30. Such property may thereafter be redeemed by payment of the delinquent taxes, the ten percent delinquency penalty, a minimum $38.06 fee for preparation of delinquent tax record, a minimum $36.45 per parcel redemption fee (from which the State receives five dollars), and redemption penalty of one and one half percent per month starting July 1 and continuing until date of redemption (collectively, the "Redemption Amount"). If taxes remain unpaid after five years on the default roll, the property becomes subject to a tax sale by the County Treasurer-Tax Collector.

Property taxes on the unsecured roll are due as of January 1 lien date and become delinquent, if unpaid, on August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the taxpayer.

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The following tables set forth the secured property tax roll and the unsecured property tax roll of the County for the last ten Fiscal Years and the current Fiscal Year.

TABLE 23
COUNTY OF RIVERSIDE
***AD VALOREM* PROPERTY TAXES - LEVIES AND COLLECTIONS**
SECURED PROPERTY TAX ROLL[(1)]

Fiscal Year	*Secured Property Tax Levy*	*Current Levy Delinquent June 30*	*Percentage of Current Taxes Delinquent June 30[(2)]*	*Total Collections[(3)]*	*Percentage of Total Collections to Current Levy[(3)]*
2012-13	$2,677,034,057	$58,215,544	2.17%	$2,800,820,511	104.62%
2013-14	2,813,381,750	49,716,695	1.76	2,943,824,187	104.64
2014-15	3,014,259,026	46,145,916	1.52	3,152,661,477	104.59
2015-16	3,205,453,157	45,956,538	1.43	3,328,995,827	103.85
2016-17	3,368,109,165	45,522,477	1.35	3,496,857,648	103.82
2017-18	3,565,210,050	42,580,125	1.19	3,679,787,833	103.21
2018-19	3,762,000,301	62,930,733	1.67	3,768,906,901	100.18
2019-20	3,964,853,341	83,339,399	2.10	3,944,201,906	99.48
2020-21	4,185,760,961	70,727,830	1.69	4,201,081,747	100.37
2021-22	4,424,068,721	64,395,731	1.46	4,428,241,989	100.09
2022-23	4,815,818,353	N/A	N/A	2,596,233,672[(4)]	53.91[(4)]

(1) The Levy and Collection data reflect the 1% levy allowed under Article XIIIA of the California Constitution and additional taxes levied for voter-approved debt and special assessments. Taxes for the County, cities, school districts, special districts and redevelopment agencies are included in the totals.

(2) Under the Teeter Plan, participating agencies receive their full levy of current secured taxes regardless of delinquency rate, subject to roll corrections during the year. Prior year taxes are deposited to the Teeter Plan fund. See the caption "Teeter Plan" herein.

(3) Includes current year taxes collected only and prior years' redemptions, penalties and interest distributed as of March 31, 2023.

(4) Total adjusted tax levy as of March 31, 2023.

Source: County Auditor-Controller.

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TABLE 24
UNSECURED PROPERTY TAX ROLL[1]

Fiscal Year	*Unsecured Property Tax Levy*	*Total Collections[2]*	*Percentage of Total Collections to Original Levy[2]*
2012-13	$83,848,832	$78,686,704	93.84%
2013-14	83,522,992	86,835,311	103.97
2014-15	84,869,586	89,749,581	105.75
2015-16	84,381,854	88,526,356	104.91
2016-17	91,527,259	97,904,720	106.97
2017-18	92,470,967	97,787,334	105.75
2018-19	97,064,852	106,502,808	109.72
2019-20	103,243,149	105,370,218	102.06
2020-21	108,068,113	108,896,346	100.77
2021-22	118,425,447	129,565,509	109.41
2022-23	135,434,561[3]	136,803,885[4]	101.01[4]

(1) The Levy and Collection data reflect the 1% levy allowed under Article XIIIA of the California Constitution and additional taxes levied for voter-approved debt and special assessments. Taxes for the County, cities, school districts, special districts and redevelopment agencies are included in the totals.
(2) Includes current and prior years' taxes, redemptions, penalties and interest in unsecured taxes.
(3) Total adjusted tax levy as of March 31, 2023.
(4) From July 1, 2022 to March 31, 2023.
Source: County Auditor-Controller.

State legislation enacted in 1984 established the "supplemental roll," which directs the County Assessor to re-assess real property, at market value, on the date the property changes ownership or upon completion of new construction. Property on the supplemental roll is eligible for billing 30 days after the reassessment and notification to the new assessee. The resultant charge (or refund) is a one-time levy on the increase (or decrease) in value for the period between the date of the change in ownership or completion of new construction and the date of the next regular tax roll upon which the assessment is entered.

Supplemental roll billings are made on a monthly basis and are due on the date mailed. If mailed within the months of July through October, the first installment becomes delinquent on December 10 and the second on April 10. If mailed within the months of November through June, the first installment becomes delinquent on the last day of the month following the month of billing. The second installment becomes delinquent on the last day of the fourth month following the date the first installment is delinquent. These assessments are subject to the same penalties and default procedures as the secured and unsecured rolls.

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The following table sets forth the supplemental tax roll of the County for the last ten Fiscal Years and the current Fiscal Year:

TABLE 25
COUNTY OF RIVERSIDE
SUMMARY OF SUPPLEMENTAL ROLL[(1)]
***AD VALOREM* PROPERTY TAXATION**

Fiscal Year	*Tax Levy for Increased Assessments[(2)]*	*Refunds for Decreased Assessments[(2)]*	*Net Supplemental Tax Levy*	*Collections[(3)]*
2012-13	$35,389,177	$16,720,188	$18,668,989	$23,487,988
2013-14	52,907,916	8,982,077	43,925,839	41,498,433
2014-15	68,579,326	7,954,074	60,625,253	56,319,752
2015-16	70,084,954	6,399,454	63,685,501	60,101,066
2016-17	85,097,029	7,733,087	77,363,942	70,527,505
2017-18	95,818,550	6,329,416	89,489,134	87,764,555
2018-19	48,663,655	3,244,119	45,419,536	61,852,162
2019-20	55,304,570	4,793,074	50,511,496	43,283,527
2020-21	133,415,501[(4)]	9,830,606	123,584,895	117,273,827
2021-22	91,271,062[(4)]	7,758,188	83,512,874	111,110,969
2022-23	198,271,739[(4)]	4,770,519	193,501,221	138,916,618

(1) The Levy and Collection data reflect the 1% levy and additional taxes levied for voter-approved debt. Taxes for the County, cities, school districts, special districts and redevelopment agencies are included in the totals.
(2) Tax levy amounts are shown net of minimum tax less than $15 and refund amounts are shown net of refund or negative supplemental taxes less than $10 as of March 31, 2023.
(3) Includes current and prior years' taxes, penalties and interest collected (before refunds) as of March 31, 2023.
(4) Tax levy fluctuation from FY 2020-21 through FY 2022-23 is partially due to the stabilization of the property tax system for the Assessor, Tax Collector and Auditor which delayed processing all supplemental transactions.
Source: County Auditor-Controller/County Treasurer-Tax Collector.

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The following table sets forth the assessed valuation by category and property type for Fiscal Year 2018-19 through Fiscal Year 2022-23:

TABLE 26
COUNTY OF RIVERSIDE
ASSESSED VALUATION HISTORY BY CATEGORY AND PROPERTY TYPE(1)
FISCAL YEARS 2018-19 THROUGH 2022-23
(IN MILLIONS)

Category	*2018-19*	*2019-20*	*2020-21*	*2021-22*	*2022-23*
SECURED PROPERTY:					
Land	$ 83,726	$ 87,392	$ 90,586	$ 93,979	$ 100,649
Structures	192,023	204,416	218,398	232,113	255,994
Fixtures	624	618	669	706	772
Living Improvements	84	81	81	85	85
Personal Property	898	889	948	947	980
Penalty	8	16	18	14	18
Utilities	6,349	6,317	6,956	6,813	8,026
Total Secured	$ 283,712	$ 299,730	$ 317,655	$ 334,656	$ 366,524
UNSECURED PROPERTY:					
Land	35	2	2	2	1
Structures	109	82	75	62	57
Fixtures	4,108	4,225	4,447	5,046	5,575
Personal Property	4,783	4,921	5,076	5,327	5,713
Penalty	80	95	83	80	85
Total Unsecured	$ 9,114	$ 9,324	$ 9,683	$ 10,518	$ 11,431
GRAND TOTAL	$ 292,825	$ 309,054	$ 327,337	$ 345,174	$ 377,955

(1) Assessed valuation is reported as of July 1 of each year at 100% of full taxable value. Pursuant to Article XIIIA of the California Constitution (Proposition 13), property is valued for tax purposes at the 1975 fair market value, adjusted annually for inflation (not to exceed 2%). Generally, property is reassessed at fair market value upon change of ownership and for new construction. FY 2022-23 Equalized roll include roll corrections up to August 17, 2022.

Source: County Auditor-Controller/County Assessor.

Assessed valuations can be reduced as a result of an assessment appeal or an assessor-initialized reduction. Property owners can appeal their initial valuation at the time of acquisition to establish their Proposition 13 basis. Subsequently, they may appeal the valuation under Proposition 8 to achieve a temporary reduction below the Proposition 13 value, as adjusted. The County Assessor is required under Proposition 8 to make reductions, should declines in market values call for such reductions. Following the decline in housing prices in the County during the 2008 recession, the Assessor proactively reviewed all residential properties purchased after January 1, 1999, in each year from Fiscal Year 2010-11 to Fiscal Year 2013-14, which resulted in a net decline in assessed valuation in each of those years. From and after Fiscal Years 2014-15, there were no additional proactive Proposition 8 reductions. Housing prices in the County have been showing increases in recent years. Assessed valuation in the County increased by at least 5% each year from Fiscal Year 2015-16 to 2020-21. Assessed valuation in the County increased by approximately 9.5% in Fiscal Year 2022-23 as compared to Fiscal Year 2021-22. Assessed valuation is expected to increase by approximately 7.0% in Fiscal Year 2023-24 as compared to Fiscal Year 2022-23.

Property Tax Appeals. The County estimates that it has received assessment appeals applicable to Fiscal Year 2022-23 totaling approximately $16.2 billion of assessed value, although the County is still processing the case filings for Fiscal Year 2021-22 so the actual total assessed value subject to appeal may differ.

Successful appeals result in either a refund of taxes paid or a reduction to an unpaid tax bill. A total of $576 million of assessed value was reduced from the County tax roll in Fiscal Year 2020-21 and Fiscal Year 2021-22 due to appeals, representing $5,760,000 in general purpose taxes over the two-fiscal year period. Approximately 9% of the Fiscal Year 2022-23 assessment appeals have been completed. The majority of the remaining Fiscal Year 2022-23 assessment appeals are expected to be completed by June 2024.

Motor Vehicle Fees In-Lieu of Property Taxes. The County receives an allocation of motor vehicle in-lieu tax from the State. The motor vehicle in-lieu tax is levied for the privilege of operating a vehicle on the public highways of the State. The motor vehicle registration fee is levied annually on all motor vehicles, trailer coaches, and other vehicles that use public highways of the State.

Teeter Plan

With respect to collection of property taxes, the County adopted in 1993 the Teeter Plan, which is an alternate procedure authorized in Chapter 3, Part 8, Division 1 of the Revenue and Taxation Code of the State of California (comprising Sections 4701 through 4717, inclusive), commonly referred to as the "Teeter Plan" for distribution of certain property tax and assessment levies on the secured roll.

Generally, the Teeter Plan provides for a tax distribution procedure by which secured roll taxes are distributed to taxing agencies within the County included in the Teeter Plan (defined previously as the "Revenue Districts") on the basis of the tax levy, rather than on the basis of actual tax collections. The County then receives all future delinquent tax payments, penalties and interest. In connection with its adoption of the Teeter Plan, the County advanced to the participating taxing agencies an amount equal to 95% of the total then-prior years' delinquent secured property taxes and 100% of the then-current year's secured roll levy. Supplemental taxes, which are the result of changes in property ownership or completion of new construction, are currently excluded from the Teeter Plan.

As part of the COVID-19 related response from the State, on May 6, 2020, Governor Newson signed Executive Order N-61-20 granting county tax collectors the ability to cancel penalties, costs, and interest for taxes not timely paid on certain properties that were not delinquent prior to March 4, 2020. The Order expired May 6, 2021. As of April 2023, approximately 3,167 parcels subject to the Executive Order had penalties cancelled representing approximately $1.5 million in uncollected penalties, cost and interest. As of July 23, 2021, Revenue and Taxation Code 4985.2 was amended to allow cancellation of penalties due to a documented hardship, determined by the tax collector, arising from a shelter in place. To date this amended code has not been used for documented hardships arising from a shelter in place.

To implement a Teeter Plan, the board of supervisors of a county generally must elect to do so by July 15 of the fiscal year in which it is to apply. As a separate election, a county may elect to have the Teeter Plan procedures also apply to assessments on the secured roll. Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two thirds of the participating districts in the county. An electing county may, however, determine to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency.

Taxing entities that are required to maintain funds in the County Treasury are all included in the Teeter Plan. These include all K-12 school districts, community college districts and certain special districts. Other taxing entities may elect to be included in the Teeter Plan. Taxing entities that do not elect to participate in the Teeter Plan will be paid as taxes are collected. In Fiscal Year 2021-2022, taxing agencies representing approximately 59.3% of the secured roll participated in the Teeter Plan. In Fiscal Year 2022-23, taxing agencies representing approximately 58.7% of the secured roll participated in the Teeter Plan.

Pursuant to the Law, the County is required to establish a Tax Losses Reserve Fund to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property (i.e., if the sale price of the property is less than the amount owed). At the election of the County, the Tax Losses Reserve Fund is maintained at an amount equal to one of two methods: (1) 1% of the total amount of taxes and assessments levied on the secured roll for a particular year for taxing entities participating in the Teeter Plan, or (2) 25% of the total delinquent secured taxes and assessments calculated as of the end of the fiscal year for taxing entities participating in the Teeter Plan. Any excess over the required balance in the Tax Losses Reserve Fund may be transferred to the County's General Fund. Although the County is currently governed by the first alternative, and this method has consistently provided sufficient funds for any tax losses, the County may in the future use the alternative method of funding the Tax Losses Reserve Fund. Such a change would require the recommendation of the Auditor-Controller and the approval of the Board of Supervisors prior to October 1 in order to be effective for such fiscal year.

Since 1997, the County has publicly issued tax exempt notes and, from time to time, taxable notes, to finance the County's obligations to make distributions to the Revenue Districts pursuant to the Teeter Plan, and to refund certain obligations of the County related to such obligations. The County manages the program on a continuous basis by paying down the amount of notes outstanding with collections of prior fiscal years' taxes and funding with note proceeds the current year's advance and any unpaid amounts of maturing notes.

From Fiscal Year 1997-98 through Fiscal Year 2006-07, the size of the Teeter Plan obligations fluctuated between approximately $24 million and $90 million, producing annual net revenue to the County's General Fund of approximately $14 million to $25 million. The Teeter Plan obligations grew to approximately $168.4 million in Fiscal Year 2007-08 and peaked at approximately $266.6 million in Fiscal Year 2008-09 with net revenue to the County's General Fund of approximately $43.6 million and $52.5 million, respectively. For the last five fiscal years the annual revenues from the Teeter Plan to the County General Fund averaged approximately $22 million. As the amount of delinquent taxes receivable has declined, the annual revenue available to the General Fund has been reduced. For Fiscal Year 2021-22, the net revenue transferred to the County's General Fund was approximately $27 million. The County issued Teeter Plan obligation notes in the principal amount of $84,055,000 for Fiscal Year 2022-23, which mature on October 19, 2023. The County currently expects to repay the outstanding Teeter Plan obligation notes with available funds and proceeds from additional notes, as described below. See also "SECTION V—DEBT OBLIGATIONS—Short-Term Obligations of County."

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The following table sets forth the aggregate principal amount of the Teeter Plan obligation notes issued in last ten Fiscal Years.

TABLE 27
COUNTY OF RIVERSIDE
TEETER PLAN OBLIGATION NOTES ISSUED

Fiscal Year	*Principal Amount*
2013-14	$119,770,000
2014-15	100,175,000
2015-16	87,040,000
2016-17	81,765,000
2017-18	78,735,000
2018-19	74,190,000
2019-20	84,115,000
2020-21	99,570,000
2021-22	87,410,000
2022-23	84,055,000

Source: County of Riverside, Executive Office.

The County accounts for the Teeter Plan in its audited financial statements by listing the amount of Notes Payable with its other liabilities, including unpaid taxes with its other receivables, and including apportioned prior years' taxes on deposit with other restricted cash. The taxes receivable are listed in their principal amount without any penalties or accrued interest.

Since the Teeter Program is ongoing, the County must have annual access to cash, either through the issuance of Teeter notes or other alternative sources of cash. Should market access for the Teeter notes be limited, and no private or direct bank placements options be available, the County has two primary options to meet the redemption of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts.

The first option for the County to meet the redemption requirements of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts in the event of limited market access is to have the County Treasurer's Pooled Investment Fund (the "PIF") purchase the Teeter notes. Such Teeter notes have been purchased by the PIF in the past. Formal Board of Supervisors and County Treasurer approval would be required in order for the PIF to purchase Teeter notes if the notes are not rated or otherwise not qualified for purchase under the County's investment policy.

The second option for the County to meet the redemption requirements of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts would be for the County to advance funds from the General Fund. All lawfully available moneys in the County's General Fund are available for the repayment of Teeter notes, and the continuation of the Teeter Program is beneficial to the County's over-all financial condition. Should additional cash be needed, the County may borrow lawfully available moneys in the County's General Fund to meet the redemption of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts. Such General Fund borrowings to meet the redemption of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts have been authorized by the Board of Supervisors, most recently in April 2007.

Additionally, the County Treasurer and the County Auditor-Controller have an operating agreement to facilitate such General Fund borrowings by allowing the primary General Fund account within the County Pool to run a negative balance. The amount by which the balance in the General Fund account within the County Pool may be negative is capped by the amount the County may legally borrow. Such operating agreement allows for a seamless mechanism. It also spreads the loan across all County funds, minimizing the impact on any single fund and the need to manage individual fund balances. The Government Code allows such borrowings on an indefinite basis, stipulating that repayment must only be made prior to such date that funds are needed in the originating funds. The County has utilized this approach for many years including during the 1990s when the County carried a substantial year-end negative cash balance in the General Fund.

Largest Taxpayers

The following table shows the 25 largest property taxpayers by individual tax levied in the County for Fiscal Year 2022-23:

TABLE 28
COUNTY OF RIVERSIDE
TWENTY-FIVE LARGEST PROPERTY TAXPAYERS IN FISCAL YEAR 2022-23
BY TAX LEVIED(1)

Taxpayer	*Total Taxes Levied*	*Percentage of Total Tax Charge*
DUKE REALTY LTD PARTNERSHIP	$ 6,751,202.08	0.14%
COSTCO WHOLESALE CORP	5,348,162.28	0.11
FIRST INDUSTRIAL	5,172,696.68	0.11
KB HOME COASTAL INC	4,528,155.04	0.09
USEF CROSSROADS II	4,342,081.14	0.09
CHELSEA GCA REALTY PARTNERSHIP	4,064,387.70	0.08
WALGREEN CO	3,756,911.82	0.08
TYLER MALL LTD PARTNERSHIP	3,595,129.78	0.07
WAL MART REAL ESTATE BUSINESS TRUST	3,550,030.74	0.07
RIVERSIDE HEALTHCARE SYSTEM	3,545,758.14	0.07
GARDEN OF CHAMPIONS	3,511,584.36	0.07
LA SIERRA UNIVERSITY	3,497,436.20	0.07
ROSS DRESS FOR LESS INC	3,492,137.08	0.07
SCG ATLAS ASHTON CO	3,484,360.80	0.07
TARPON PROP OWNERSHIP	3,443,663.24	0.07
CASTLE & COOKE CORONA CROSSINGS	2,918,423.58	0.06
RICHMOND AMERICAN HOMES OF MARYLAND INC	2,917,458.14	0.06
CLUBCORP MISSION HILLS COUNTRY CLUB INC	2,811,044.70	0.06
LOWES HIW INC	2,690,886.00	0.06
TARGET CORP	2,658,477.40	0.06
TAI OW MONTEREY OWNER	2,542,663.00	0.05
HP LQ INVESTMENT	2,527,729.96	0.05
RAINTREE CORONA POINTE	2,526,413.06	0.05
BT OH	2,443,546.96	0.05
IDIL PERRIS FULFILLMENT CENTER	2,356,338.06	0.05
Total	**$ 88,476,677.94**	**1.84%**
Total Secured Tax Charge for 2022-23	**$4,800,284,534.03**	

(1) Includes secured property.
Source: County Treasurer-Tax Collector.

The 10 largest property owners in the County by assessed value for all properties, for Fiscal Year 2022-23 are shown below:

TABLE 29
COUNTY OF RIVERSIDE
TEN LARGEST PROPERTY OWNERS IN FISCAL YEAR 2022-23
BY ASSESSED VALUE

Assessee	*Assessed Value*
AMAZON COM SERVICES LLC	$ 662,459,774
DUKE REALTY LTD PARTNERSHIP	564,701,376
FIRST INDUSTRIAL	453,480,488
COSTCO WHOLESALE CORP	442,121,075
SPECTRUM PACIFIC WEST LLC	328,114,292
USEF CROSSROADS II	326,661,445
RIVERSIDE HEALTHCARE SYSTEM	318,532,578
SCG ATLAS ASHTON CO	298,931,009
WALGREEN CO	297,683,029
GARDEN OF CHAMPIONS	286,502,147
Subtotal	$ 3,979,187,213
All Others	365,639,733,189
Total	**$ 369,618,920,402**[(1)]

(1) Excludes State-assessed property. Does not reflect any applicable exemptions.
Source: County Assessor.

Other Taxing Entities

The County does not retain all of the property taxes it collects for its own purposes. The majority of property taxes collected by the County are disbursed to other agencies. For both Fiscal Years 2020-21 and 2021-22, the County retained approximately 19% of the total amount collected (and is budgeted to retain 19% in Fiscal Year 2022-23 and projected to retain 19% in Fiscal Year 2023-24). The remainder is distributed according to State law (AB 8), which established a tax-sharing formula, and State redevelopment law (See "—Redevelopment Agencies" below). Taxes levied for the purpose of repaying general obligation debt, special taxes and assessments are applied to pay such obligations, less any allowable collection charges.

Redevelopment Agencies

The California Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) authorized the redevelopment agency of any city or county to issue bonds payable from the allocation of tax revenues resulting from increases in assessed valuation of properties within the designated project areas. The net effect of the formation of a redevelopment area is to redistribute tax revenues away from the AB 8 formula. Local taxing authorities other than the former redevelopment agency realize tax revenues on a portion of the taxes generated in a project area including: 1) on the "frozen" tax base; 2) for project areas adopted prior to January 1, 1994, local taxing authorities may receive an additional amount based on any negotiated agreements with former redevelopment agencies to receive a share of tax increment proceeds; and, 3) for project areas adopted after January 1, 1994, local taxing authorities receive a pass-through payment based on statutory rules pursuant to section 33607.5 of the California Health and Safety Code.

The following table summarizes the community redevelopment agencies' frozen base value, full cash value increments, and total tax allocations for the last ten Fiscal Years.

TABLE 30
COUNTY OF RIVERSIDE
COMMUNITY REDEVELOPMENT AGENCIES'
FROZEN BASE VALUE, FULL CASH VALUE INCREMENTS
AND TOTAL TAX ALLOCATIONS

Fiscal Year	*Frozen Base Value*	*Full Cash Value Increments*(1)	*Total Tax Allocations*(2)(3)
2013-14	$16,352,697,201	$58,479,843,303	$688,683,052
2014-15	16,352,691,201	62,266,158,988	729,793,564
2015-16	16,352,657,201	65,770,021,482	772,866,457
2016-17	16,352,657,201	69,510,642,793	816,260,103
2017-18	16,352,657,201	73,397,406,955	866,983,038
2018-19	16,352,657,201	78,931,108,121	791,516,576
2019-20	16,352,657,201	83,774,752,955	838,352,528
2020-21	16,352,657,201	90,024,188,096	902,599,217
2021-22	16,352,657,201	96,060,913,816	963,039,899
2022-23	16,352,657,201	107,115,726,887	1,073,672,542

(1) Full cash value for all redevelopment projects (including County projects) above the "frozen" base year valuations. This data represents growth in full cash values generating tax revenues for use by the former redevelopment agencies and includes State assessed properties; has not been adjusted for negative project area increment.

(2) Actual cash revenues collected by the County and available to the Redevelopment Property Tax Trust Fund (RPTTF) allocations under ABx126

(3) Includes estimated general purpose and debt; excludes negative treatment redevelopment projects where assessed value is less than frozen base value.

Source: County Auditor-Controller.

Legislation enacted as part of the State's 2011 Budget Act ("ABx1 26") eliminated redevelopment agencies, with formal dissolution effective February 1, 2012. The County had previously formed a redevelopment agency with project areas in 45 unincorporated communities. In accordance with ABx1 26, the County redevelopment agency dissolved on February 1, 2012 and the County's Board of Supervisors is acting as the successor agency to the County's redevelopment agency. At the time of its dissolution, the County redevelopment agency had a total land area of 82,334 acres, a base year assessed value, including State-owned land, of $3,971,824,734, and a Fiscal Year 2011-12 assessed value of $8,266,787,927. In Fiscal Year 2011-12, the pass-through payment to the County's General Fund from the County's redevelopment agency totaled $1,600,443, and was offset in its entirety pursuant to Health and Safety Code Section 33607.5. As a consequence of the dissolution of redevelopment agencies, the County receives only a fraction of the pass-through payments from the County redevelopment agency it previously received, but these amounts were relatively modest and are largely offset by the County's receipt of its tax allocation under the AB 8 formula. As the result of the dissolution, the County is receiving a share of residual, unencumbered low and moderate housing and other asset funding. The County received $37,628,494 in residual funds for Fiscal Year 2020-21, approximately $43,195,558 in residual funds for Fiscal Year 2021-22, is expecting to receive approximately $48,243,258 in residual funds for Fiscal Year 2022-23, and is budgeting to receive approximately $59,822,194 in residual funds for Fiscal Year 2023-24.

In Fiscal Years 2021-22 and 2022-23, the County received approximately $135 million and $149 million, respectively, in pass-through payments pursuant to agreements with various city redevelopment agencies. The County is projected to receive approximately $160 million in Fiscal Year 2023-24. Pursuant to ABx1 26 and its following clarifying legislation, the County's negotiated pass-through agreements with these redevelopment agencies remain in full force and effect as enforceable obligations of the successor entity to each such redevelopment agency.

County of Riverside Treasurer-Tax Collector's Pooled Investment Fund

[SECTION TO BE UPDATED ONCE APRIL 2023 PIF STATEMENT IS AVAILABLE] The County Treasurer-Tax Collector maintains one Pooled Investment Fund (the "PIF") for all local jurisdictions having funds on deposit in the County Treasury, including the County, schools and special districts within the County, and other discretionary depositors throughout the County. As of April 30, 2023, the portfolio assets comprising the PIF had a market value of $[__________].

State law requires that all operating moneys of the County, school districts, and certain special districts be held by the County Treasurer-Tax Collector. On June 30, 2022, the Auditor-Controller performed an analysis on the County Treasury, which resulted in the identification and classification of "mandatory" vs. "discretionary" depositors. The County Auditor-Controller reports that collectively, these mandatory deposits constituted approximately 78.39% of the funds on deposit in the County Treasury, while approximately 21.61% of the total funds on deposit in the County Treasury represented discretionary deposits. While State law permits other governmental jurisdictions to participate in the County's PIF, the desire of the County Treasurer-Tax Collector is to maintain a stable depositor base for those entities participating in the PIF.

All purchases of securities for the PIF are to be made in accordance with the County Treasurer's 2021 Statement of Investment Policy, which is more restrictive than the investments authorized pursuant to Sections 53601 and 53635 of the California Government Code. The Policy Statement requires that all investment transactions be governed by first giving consideration to the safety and preservation of principal and liquidity sufficient to meet daily cash flow needs prior to achieving a reasonable rate of return on the investment. Investments are not authorized in reverse-repurchase agreements except for an unanticipated and immediate cash flow need that would otherwise cause the Treasurer to sell portfolio securities prior to maturity at a principal loss.

The allocation of the investments in the PIF as of [April 30, 2023] were as follows (numbers may not add up due to rounding of individual components)"

TABLE 31
COUNTY OF RIVERSIDE
ALLOCATION OF INVESTMENTS IN THE POOLED INVESTMENT FUND
AS OF [APRIL 30, 2023]

	Balance	***% of Pool***
U.S. Treasury Securities	$	%
Federal Agency Securities		
Cash Equivalent & Money Market Funds		
Commercial Paper		
Int'l Bank for Reconstruction and Development (IBRD) & Int'l Finance Corp (IFC)		
NCD		
Municipal Notes		
Total Book Value	$	%
Book Yield:		%
Weighted Average Maturity:		Years

Source: County Treasurer-Tax Collector.

As of [April 30, 2023], the market value of the PIF was [____]% of book value. The Treasurer estimates that sufficient liquidity exists within the portfolio to meet daily expenditure needs without requiring any sale of securities at a principal loss prior to their maturity.

In keeping with Sections 53684 and 53844 of the California Government Code, all interest, income, gains and losses on the portfolio are distributed quarterly to participants based upon their average daily balance except for specific investments made on behalf of a particular fund. In these instances, Sections 53844 requires that the investment income be credited to the specific fund in which the investment was made.

The Board has established an "Investment Oversight Committee" in compliance with California Government Code Section 27131. Currently, the Committee is composed of the Director of Finance, the County Treasurer-Tax Collector, the County Superintendent of Schools, a school district representative and a public member at large. The purpose of the committee is to review the prudence of the County's investment policy, portfolio holdings and investment procedures, and to make any findings and recommendations known to the Board. As of September 29, 2004, the State no longer required the County to have a local oversight committee; however, the County has elected to maintain the committee. The committee is utilized by the County to safeguard public funds and to perform other internal control measures.

[CONFIRM] The County has obtained a rating on the PIF of ["Aaa-bf"] from Moody's Investors Service and ["AAAf/S1"] rating from Fitch Ratings. There is no assurance that such ratings will continue for any given period of time or that any such rating may not be lowered, suspended or withdrawn entirely by the respective rating agency if, in the judgment of such rating agency, circumstances so warrant.

Financial Statements and Related Issues

The County's accounting policies used in preparation of its audited financial statements conform to generally accepted accounting principles applicable to counties. The County's governmental funds use the modified accrual basis of accounting. This system recognizes revenues in the accounting period in which they become available and measurable. Expenditures, with the exception of unmatured interest on general long-term debt, are recognized in the accounting period in which the fund liability is incurred. Proprietary funds and fiduciary funds use the accrual basis of accounting, and revenues are recognized in the accounting period in which they are earned and become measurable, while expenses are recognized in the period during which they are incurred.

The County establishes sub-funds to track revenues and expenditures for certain designated programs administered by the County. Revenues held in sub-funds are generally restricted for the related programs. Currently, the County classifies restricted revenues as deferred inflows and recognizes the revenues when the associated expenditures are incurred, which may not be in the year in which the restricted revenues are received. A change in the recognition of the restricted revenues to the year in which the revenues are received rather than in the year in which the related expenditures are incurred would result in the acceleration of certain revenues currently held in the sub-funds. Revenues are reported in accordance with Generally Accepted Accounting Principles, and therefore there is no need to alter the current accounting practice related to the recognition of revenue held in sub-funds.

The State Government Code requires every county to prepare an annual financial report. The County Auditor-Controller prepares the "Annual Financial Report of the County of Riverside." Under the U.S. Single Audit Act of 1984 and State law, independent audits are required on all operating funds under the control of the Board of Supervisors and must be conducted annually. The County's financial statements for Fiscal Year 2021-22 were audited by Brown Armstrong Accountancy Corporation. See APPENDIX B — "COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

The following table sets forth the County's Statement of Revenues, Expenditures and Change in Unreserved Funds Balances-General Fund for the last five Fiscal Years.

TABLE 32
COUNTY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES – GENERAL FUND
FISCAL YEARS 2017-18 THROUGH 2021-22
(In Thousands)

	2017-18	*2018-19*	*2019-20*	*2020-21*	*2021-22*
BEGINNING FUND BALANCE	$ 348,231	$ 369,582	$ 410,455	$ 401,682	$ 564,179
REVENUES					
Taxes	$ 303,836	$ 326,991	$ 336,983	$ 397,329	$ 440,139
Licenses, permits and franchises	19,142	19,989	18,939	19,683	21,584
Fines, forfeiture sand penalties	64,525	64,521	54,332	61,802	62,975
Use of money and property–Interest	16,727	41,315	24,881	2,939	(19,520)[1]
Use of money and property–Rents and concessions	13,552	12,244	15,232	18,112	14,486
Government Aid–State	1,328,912	1,404,112	1,483,441	1,557,651	1,695,870
Government Aid–Federal	596,949	567,753	646,890	705,181	758,843
Governmental Aid-Other	110,656	117,264	126,723	137,642	143,497
Charges for current services	481,245	499,566	510,103	523,997	528,383
Other revenues	44,273	49,682	63,228	60,481	54,717
TOTAL REVENUES	$ 2,979,817	$ 3,103,437	$ 3,280,752	$ 3,484,817	$ 3,700,974
EXPENDITURES					
General government	$ 130,989	$ 118,662	$ 120,724	$ 120,250	$ 137,936
Public protection	1,328,734	1,382,395	1,477,295	1,573,840	1,591,388
Public ways and facilities	-	-	-	-	-
Health and sanitation	543,976	558,905	627,950	656,502	728,702
Public assistance	916,191	934,641	1,010,175	1,011,834	1,057,631
Education	628	678	628	490	512
Recreation and cultural	483	1,959	2,111	1,980	2,369
Capital Outlay	6,486	6,287	24,409	6,215	26,118
Debt service	17,357	23,422	29,400	28,292	21,175
TOTAL EXPENDITURES	$ 2,944,844	$ 3,026,949	$ 3,292,692	$ 3,399,403	$ 3,565,831
Excess (deficit) of revenues over (under) expenditures	34,973	76,488	(11,940)	85,414	135,143
OTHER FINANCING SOURCES (USES)					
Transfer from other reserves	$ 108,979	$ 114,208	$ 158,712	$ 289,535	$ 133,658
Transfer to other funds	(129,087)	(154,164)	(179,954)	(215,946)	(178,583)
Proceeds from sale of capital assets	-	-	-	-	-
Capital Leases	6,486	6,287	24,409	6,215	26,118
Total other Financing Sources (Uses)	$ (13,622)	$ (33,669)	$ 3,167	$ 79,804	$ (18,807)
NET CHANGE IN FUND BALANCES	$ 21,351	$ 42,819	$ (8,773)	$ 165,218	$ 116,336
FUND BALANCE, END OF YEAR	$ 369,582	$ 410,455[2]	$ 401,682	$ 564,179[3]	$ 680,515

(1) Decrease in use of money and property–interest reflects interest income of approximately $2.7 million and an unrealized investment loss of approximately $22.2 million on securities held by the County due to increasing interest rates.

(2) Fund balance does not foot because of subsequent restatement to reflect the prior period cost related to the implementation of GASB Statement No. 84 for Fiduciary Activities.

(3) Fund balance does not foot because of subsequent restatement to reflect a prior year advance received from grantor that was incorrectly recorded as revenue before the eligibility requirements had been met.

Source: County Auditor-Controller.

The following table sets forth the County's General Fund balance sheets for the last five Fiscal Years.

TABLE 33
COUNTY OF RIVERSIDE
GENERAL FUND BALANCE SHEETS
AT JUNE 30, 2018 THROUGH JUNE 30, 2022
(In Thousands)

	2017-18	*2018-19*	*2019-20*	*2020-21*	*2021-22*
ASSETS:					
Cash & Marketable Securities	$ 123,884	$ 207,950	$ 308,199	$ 362,675	$ 442,471
Taxes Receivable	9,025	10,499	12,206	8,813	8,101
Accounts Receivable	12,484	15,111	18,686	8,840	11,195
Interest Receivable	6,560	9,624	4,046	1,426	4,582
Lease Receivable	-	-	-	-	50,601
Advances to Other Funds	4,869	4,869	4,869	4,869	4,869
Due from Other Funds	11,242	9,961	20,597	8,387	8,380
Due from Other Governments	380,479	343,679	360,840	406,867	404,617
Inventories	2,360	2,087	2,075	2,390	3,465
Prepaid items	781	-	62	46	47
Restricted Assets	395,407	411,861	417,867	502,449	691,979
Total Assets	$ 947,091	$1,015,641	$1,149,447	$1,306,762	$1,630,307
LIABILITIES:					
Accounts Payable	$ 38,969	$ 39,870	$ 77,946	$ 66,145	$ 101,682
Salaries & Benefits Payable	103,293	107,031	126,347	69,780	79,499
Due To Other Funds	1,551	13,346	51,943	2,476	299
Due to Other Governments	76,507	64,974	126,314	131,994	123,356
Deferred Revenue	-	-	-	-	-
Deposits Payable	35	28	14	15	12
Advances from other funds	-	-	-	-	-
Advances from grantors and third parties	305,318	318,534	303,583	403,592	523,727
Total Liabilities	$ 525,673	$ 543,783	$ 686,147	$ 674,002	$ 828,575
Deferred inflows of resources	$ 51,836	$ 59,457	$ 61,618	$ 65,860	$ 121,217
FUND BALANCE:					
Nonspendable	$ 3,470	$ 2,416	$ 2,466	$ 2,756	$ 3,843
Restricted	95,881	102,288	112,711	142,367	184,315
Committed	23,290	18,320	14,844	15,070	13,185
Assigned	12,464	14,196	13,702	35,900	39,198
Unassigned	234,477	275,181	257,959	370,807	439,974
Fund Balance	$ 369,582	$ 412,401	$ 401,682	$ 566,900	$ 680,515
Total Liabilities and Fund Balance	$ 947,091	$1,015,641	$1,149,447	$1,306,762	$1,630,307

Source: County Auditor-Controller.

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The following table sets forth the County's General Fund balances as of June 30 for the last ten Fiscal Years based on classification.

TABLE 34
COUNTY OF RIVERSIDE
GENERAL FUND BALANCES
AT JUNE 30, 2013 THROUGH JUNE 30, 2022
(In Thousands)

June 30,	*Nonspendable*	*Restricted*	*Committed*	*Assigned*	*Unassigned*	*Total*
2013	$3,247	$101,440	$42,183	$10,460	$199,919	$357,249
2014	2,045	117,595	32,820	7,772	203,444	363,676
2015	2,001	122,967	39,422	5,144	225,855	395,389
2016	2,369	99,639	40,310	11,870	217,322	371,510
2017	2,314	95,130	21,907	10,989	217,891	348,231
2018	3,470	95,881	23,290	12,464	234,477	369,582
2019	2,416	102,288	18,320	14,196	275,181	412,401
2020	2,466	112,711	14,844	13,702	257,959	401,682
2021	2,756	142,367	15,070	35,900	370,807	566,900
2022	3,843	184,315	13,185	39,198	439,974	680,515

Source: County Auditor-Controller.

SECTION V – DEBT OBLIGATIONS

Short-Term Obligations of County

On July 1, 2022, the County issued its 2022 Tax and Revenue Anticipation Note (the "2022 TRAN") in the principal amount of $360,000,000 to provide funds to meet the County's Fiscal Year 2022-23 General Fund expenditures, including current expenses, capital expenditures and prepayment of pension plan contributions. The 2022 TRAN is due on June 30, 2023. The 2022 TRAN is payable from taxes, income, revenues, cash receipts and other moneys of the County attributable to the County's 2022-23 Fiscal Year which are legally available for the payment thereof. Delinquent property taxes attributable to prior Fiscal Years are included in the taxes pledged to the payment of the 2022 Teeter Notes (defined below) and are not available to pay debt service on the 2022 TRAN. The County has set-aside sufficient money to pay the principal and interest on the 2022 TRAN on June 30, 2023. The County has issued tax and revenue anticipation notes annually for over twenty consecutive years with timely repayment.

The County expects to issue its 2023 Tax and Revenue Anticipation Note (the "2023 TRAN") in July 2023 in an amount not to exceed $360,000,000 to provide funds to meet the County's Fiscal Year 2023-24 General Fund expenditures, including current expenses, capital expenditures and prepayment of pension plan contributions, consistent with past practice. The 2023 TRAN will be payable from taxes, income, revenues, cash receipts and other moneys of the County attributable to the County's 2023-24 Fiscal Year which are legally available for the payment thereof. See "THE NOTE—Purpose of Issue" in the front part of the Official Statement for additional information.

On October 19, 2022, the County issued its $84,055,000 Teeter Plan Obligation Notes 2022 Series A (the "2022 Teeter Notes") to refund a portion of the County's 2021 Series A Teeter Obligation Notes (Tax-Exempt) and to fund an advance of unpaid property taxes for Revenue Districts participating in the County's Teeter Plan. See "SECTION IV—FINANCIAL INFORMATION—Teeter Plan" above. The 2022 Teeter Notes are due on October 19, 2023. The 2022 Teeter Notes are payable from "Pledged Taxes," generally consisting of (i) the right to collect any uncollected property taxes due to the County and other Revenue Districts for the fiscal years ended June 30, 1994 through and including June 30, 2022 and such other fiscal years approved by the County under certain circumstances, (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 under applicable law, and in each case following an allocation by the County of the receipts of property taxes and assessments between the Revenue Districts and those public districts within the County that are not participating in the Teeter Plan.

Long-Term Obligations of County

Since its formation in 1893, to the best knowledge of County officials, the County has never failed to pay the principal of or interest on any of its bonded indebtedness. As of May 1, 2023, the County had $690,901,551 in direct General Fund obligations and $748,540,000 in pension obligation bond indebtedness, as reflected in the following table, and has no authorized but unissued general obligation debt.

[Remainder of Page Intentionally Left Blank.]

The statement of direct and overlapping debt (the "Debt Report") set forth below was prepared by California Municipal Statistics, Inc., and is dated as of May 1, 2023. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. The County has not independently verified its completeness or accuracy and makes no representations in connection therewith.

TABLE 35
COUNTY OF RIVERSIDE
ESTIMATED DIRECT AND OVERLAPPING OBLIGATIONS
(AS OF MAY 1, 2023)

2022-23 Assessed Valuation: $369,571,924,873 (includes unitary utility valuation)

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 5/1/23
Metropolitan Water District	6.619%	$ 1,271,841
Community College Districts	1.186-100.	1,040,772,501
Unified School Districts	1.044-100.	3,563,345,157
Perris Union High School District	100.	298,735,042
Elementary School Districts	100.	174,655,374
City of Riverside	100.	3,380,000
Eastern Municipal Water District Improvement Districts	100.	18,630,000
Riverside County Flood Control, Zone 4 Benefit Assessment District	100.	5,380,000
San Gorgonio Memorial Hospital District	100.	108,699,780
Community Facilities Districts	50.225-100.	3,372,744,388
Riverside County 1915 Act Bonds	100.	615,000
City and Special District 1915 Act Bonds (Estimated)	100.	128,179,634
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$8,716,408,717
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Riverside County General Fund Obligations	**100. %**	**$ 690,901,551**(1)
Riverside County Pension Obligations	**100.**	**748,540,000**
School Districts General Fund and Lease Tax Obligations	1.186-100.	420,158,576
City of Corona General Fund Obligations	100.	24,721,100
City of Moreno Valley General Fund Obligations	100.	75,566,975
City of Indio General Fund and Judgment Obligation Bonds	100.	145,335,000
City of Palm Springs Certificates of Participation and Pension Obligation Bonds	100.	121,264,836
City of Riverside Certificates of Participation	100.	175,115,220
City of Riverside Pension Obligation Bonds	100.	449,175,000
Other City General Fund Obligations	100.	415,789,209
Other Special District Certificates of Participation	100.	4,373,448
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$3,270,940,915
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$1,902,763,413
COMBINED TOTAL DEBT		$13,890,113,045(2)

(1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:
Overlapping Tax and Assessment Debt 2.29%
Combined Direct Debt ($1,540,186,551) 0.42%
Combined Total Debt 3.74%

Ratios to Successor Agency Redevelopment 2022-23 Incremental Valuation ($107,135,377,313):
Total Overlapping Tax Increment Debt 1.78%

Lease Obligations

The County has used nonprofit corporations and joint powers authorities to finance certain public facilities through the issuance of lease obligations. Pursuant to these arrangements, a nonprofit corporation or joint powers authority constructs or acquires facilities with the proceeds of lease revenue obligations, which are then leased to the County; the lease obligations are payable from the General Fund. Upon expiration of the lease, title to the facilities vests in the County.

The table on the following page sets forth the County's outstanding publicly offered lease obligations and the respective annual lease requirements as of May 1, 2023. In addition, as discussed below under "—Facilities Lease Agreements," the County has other substantial lease obligations payable from the General Fund.

TABLE 36
COUNTY OF RIVERSIDE
SUMMARY OF PUBLICLY OFFERED LEASE RENTAL OBLIGATIONS
(PAYABLE FROM THE COUNTY'S GENERAL FUND — (AS OF MAY 1, 2023))

	Final Maturity Year	*Original Lease Amount*	*Outstanding Obligations*	*Annual Base Rental*
Riverside County Hospital Project, Leasehold Revenue Bonds: 1997 Series A	2026	$ 41,170,073	$ 15,101,551	$ 4,124,722
County of Riverside Certificates of Participation (2009 Public Safety Communication and Woodcrest Library Refunding Projects)[1]	2039	45,685,000	4,695,000	170,000
County of Riverside Infrastructure Financing Authority (2015 A Lease Revenue Refunding Bonds)[2]	2037	72,825,000	49,265,000	3,265,000
County of Riverside Infrastructure Financing Authority (2016 A & 2016 A-T Lease Revenue Refunding Bonds)[3]	2031	39,985,000	26,720,000	2,520,000
County of Riverside Infrastructure Financing Authority (2017 A Lease Revenue Refunding Bonds) [4]	2044	46,970,000	41,245,000	1,225,000
County of Riverside Infrastructure Financing Authority (2017 B & 2017 C Lease Revenue Bonds) [5]	2047	22,205,000	19,360,000	650,000
County of Riverside Asset Leasing Corporation (2019 A Technology Refunding Projects)[6]	2043	12,875,000	11,655,000	425,000
County of Riverside Infrastructure Financing Authority (2021 A & 2021 B Lease Revenue Refunding Bonds)[7]	2045	499,800,000	479,380,000	21,150,000
TOTAL		$781,515,073	$647,421,551	$ 33,529,722

(1) The 2009 Public Safety Communication and Woodcrest Library Refunding Project refunded the 2007B Public Safety Communication Refunding Project and the 2006 Capital Appreciation Notes.
(2) The 2015 Series A Infrastructure Financing Authority Lease Revenue Refunding Bonds refunded the County of Riverside Certificates of Participation (Capital Facilities Project) 2005 Series A, County of Riverside Certificates of Participation (Historic Courthouse Refunding Project) 2005 Series B and the County of Riverside Certificates of Participation (Capital Facilities Projects) 2006 A.
(3) The 2016 A & A-T Infrastructure Financing Authority Lease Revenue Refunding Bonds refunded the Riverside County Palm Desert Financing Authority Lease Revenue Bonds 2008 Series A.
(4) The County of Riverside Infrastructure Financing Authority (2017 A Lease Revenue Refunding Bonds) refunded the Riverside Community Properties Development, Inc. Lease Revenue Bonds (2013 Riverside County Law Building Project).
(5) The County of Riverside Infrastructure Financing Authority (2017 B Lease Revenue Bonds) refunded the County of Riverside Southwest Communities Financing Authority Lease Revenue Bonds, Series 2008 A.
(6) The County of Riverside Asset Leasing Corporation (2019 A Technology Refunding Projects) refunded a portion of the County of Riverside Leasehold Revenue Bonds (2013 Series A Public Defender/Probation Bldg. and Riverside County Technology Solution Center Projects).
(7) The County of Riverside Infrastructure Financing Authority (2021 A & 2021 B Lease Revenue Refunding Bonds) refunded, through redemption or defeasance as applicable, all of the outstanding: County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding); County of Riverside Asset Leasing Corporation Lease Revenue Bonds (2012 County Administrative Center Refunding Project); County of Riverside Asset Leasing Corporation Lease Revenue Bonds, 2012 Series A (County of Riverside Capital Projects); Riverside County Public Financing Authority Lease Revenue Refunding Bonds (County Facilities Projects), Series 2012; County of Riverside Asset Leasing Corporation Lease Revenue Bonds, Series 2013A (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects); County of Riverside Asset Leasing Corporation Lease Revenue Refunding Bonds (Court Facilities Project), Series 2014A; and Riverside County Public Financing Authority Lease Revenue Bonds (Capital Facilities Project), Series 2015.

Source: County Executive Office.

Facilities Lease Agreements

The following table sets forth the County's outstanding non-publicly offered lease obligations payable from the County's General Fund and the respective annual lease requirements as of May 1, 2023. More information is provided below.

TABLE 37
COUNTY OF RIVERSIDE
SUMMARY OF NON-PUBLICLY OFFERED LEASE RENTAL OBLIGATIONS
(PAYABLE FROM THE COUNTY'S GENERAL FUND — (AS OF MAY 1, 2023) [(1)]

	Year Incurred	*Final Maturity Year*	*Original Obligations**	*Outstanding Obligations*[(2)]	*Annual Rent*
County and Corona Medical Arts Plaza, LLC (Corona Care Clinic)[(3)]	2017	2032	$42,573,904	$29,175,131	$2,532,758
Jurupa Valley Medical Partners, LLC (Jurupa Valley Care Clinic)[(4)]	2017	2039	47,575,096	37,904,174	2,101,308
TC Riverside MOB, LLC (RUHS-Medical and Surgical Outpatient Office Bldg)[(5)]	2017	2044	438,469,834	393,733,035	13,010,138
CFP Riverside, LLC (Libraries)[(7)]	2019	2051	116,661,024	110,514,842	2,808,000
Sunquitz EMC, LLC (RUHS-Palm Springs Clinic)[(7)]	2019	2051	73,070,212	69,468,366	2,225,724

(1) Amounts are rounded to the nearest dollar. As discussed below, the Leases for the Corona Care Clinic, Jurupa Valley Care Clinic, and the Libraries projects are comprised of leases that do not distinguish between principal component and components, however they include ongoing management/administrative expenses. The Lease for the RUHS Medical and Surgical Center (MSC) Building does not distinguish between principal and interest components. The $438,469,834 figure cited above represents the total expected lease payments for which the County is obligated during the term of the MSC Lease. CFP Riverside lease payments are fixed for ten years and adjust every ten years thereafter. Sunquitz EMC, LLC is subject to a separate ground lease paid for by Sublessor.

(2) Includes base rent, tenant improvements, furniture rent, operating expenses, RCIT costs, utility costs and FM fees.

(3) Annual payments escalate by 2.75% annually.

(4) Annual payments escalate by 2.00% annually.

(5) Annual payments escalate by 4.00% annually.

(6) Base rent is scheduled to commence in Fiscal Year 2020-21 at $2.03 million per year, escalating to $3.261 million in Fiscal Year 2050-51.

(7) Base rent is scheduled to commence in Fiscal Year 2021-22 at $1.94 million, escalating to $5.95 million in Fiscal Year 2050-51.

Source: County of Riverside Facilities Management.

The County and Corona Medical Arts Plaza, LLC entered into a Lease dated as of September 13, 2016, as supplemented by the First Amendment to Lease (as supplemented, the "Corona Clinic Lease"), dated as of June 20, 2017, in order to fund the construction, operation and maintenance of a 45,204 square-foot medical clinic (the "Corona Care Clinic") for RUHS located in the City of Corona. The principal component of the lease obligation is estimated at $42,573,904. Pursuant to the terms of the Corona Clinic Lease, rental payments commenced upon substantial completion of construction and occupancy of the Corona Care Clinic (in the first quarter of 2018), and the County will continue to pay rental payments for 15 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's lease payment (Fiscal Year 2018-19) was approximately $2.6 million, escalating at 2.75% annually thereafter. Annual lease payments include utilities, one-time technology fees, an allowance for tenant improvements and FF&E, and an ongoing management fee of 5.28% to Riverside County Facilities Management. While RUHS management presently expects to receive federal funding that will cover the Corona Clinic Lease payments, the County may be required to advance monies from its General Fund. Ultimately, as the Lessee and obligor under the Corona Clinic Lease, the County is responsible for lease payments thereunder.

On July 11, 2017, the County and Jurupa Valley Medical Partners, LLC entered into a Lease (the "Jurupa Valley Clinic Lease") in order to fund the proposed construction, operation and maintenance of an approximately 40,000 square-foot medical clinic for RUHS located in the City of Jurupa Valley (the "Jurupa Valley Care Clinic"). Presently, the principal component of the lease obligation is estimated at $47,575,096. Pursuant to the terms of the Jurupa Valley Clinic Lease, it was anticipated that the County would commence rental payments upon substantial completion of construction and occupancy of the Jurupa Valley Care Clinic, and the County achieved substantial completion of construction on January 10, 2019. The County has commenced rental payments for the lease term and will continue to pay rental payments for approximately 20 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's lease payment (Fiscal Year 2019-20) is approximately $2.4 million, escalating at 2% annually thereafter. Annual lease payments include utilities, one-time technology fees, an allowance for tenant improvements and FF&E, and an ongoing management fee of 5.28% to Riverside County Facilities Management. While RUHS management presently expects to receive federal funding that will cover the Jurupa Valley Clinic Lease payments, the County may be required to advance monies from its General Fund. Ultimately, as the Lessee and obligor under the Jurupa Valley Clinic Lease, the County is responsible for lease payments thereunder.

On April 18, 2017, the County entered into a Facilities Lease Agreement with TC Riverside MOB, LLC to fund the proposed construction, operation, and maintenance of an approximately 200,000 square foot surgery center and medical office building complex (the "RUHS Medical and Surgical Outpatient Office Building") next to the RUHS Medical Center. The total cost, over the term of the lease, including base rent and additional rent, related to the lease obligation is estimated at $438,469,834. The final project budget and final rent schedule were approved by the County on November 14, 2017. Rental payments commenced upon the substantial completion of construction of the project on December 13, 2019, and the County will continue to pay rental payments for approximately 25 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's lease payment (Fiscal Year 2020-21) was approximately $13.3 million, escalating at 3% annually thereafter. Annual lease payments include utilities, operating costs, one-time technology fees and an ongoing management fee of 5.28% to Riverside County Facilities Management. While RUHS management presently expects that the RUHS Medical and Surgical Outpatient Office Building will attract a more favorable payor mix that will enable RUHS to make Facilities Lease Agreement payments from its operating revenues, the County may be required to advance monies from its General Fund. Ultimately, as the Tenant and obligor under the Facilities Lease Agreement, the County is responsible for Facilities Lease Agreement payments.

On August 28, 2019, the County entered into a Facilities Lease Agreement with CFP Riverside, LLC, a Minnesota non-profit limited liability company, for the design, construction, installation, equipping, furnishing, operation and maintenance of three separate public library facilities and related amenities in the cities of Desert Hot Springs and Menifee and in the unincorporated area of French Valley (the "Libraries"). The principal component of the lease obligation is $42,115,000. The construction of the Libraries was completed in May 2021. Upon completion and delivery of the Libraries to the County, the County commenced making rental payments on May 1, 2021. The County's lease obligations with respect to the Libraries will continue for 30 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's base rent payment in Fiscal Year 2021-22 was approximately $2.036 million, escalating to $3.261 million in Fiscal Year 2050-51.

On November 19, 2019, the County entered into a Facilities Sub-Lease Agreement with Sunquitz EMC, LLC, a California limited liability company for the design, construction and property management services for an approximately 35,000 square community health clinic located in the City of Palm Springs. The principal component of the lease obligation is $73,070,212. The County commenced making rental payments on June 29, 2021. The County's lease obligations with respect to the clinic will continue for 30 years thereafter, subject to County's right to purchase the improvements based upon the pricing provisions specified in the sublease agreement. Annual lease payments include utilities, operating costs, one-time technology fees and an ongoing management fee of 5.28% to Riverside County Facilities Management. The initial year's base rent payment in Fiscal Year 2021-22 was approximately $1.94 million, escalating to $5.95 million in Fiscal Year 2050-51.

Lease Lines of Credit

Lease line of credit agreements are reviewed and approved by the Debt Advisory Committee, and then presented to the Board of Supervisors for their final approval. The County may utilize the lines of credit to finance capital assets for a period of 24 to 120 months. No specific amortization is required by the lease lines of credit, and the County budgets to repay the outstanding amounts over the lifecycle of the financed assets.

The County has entered into several multi-year lease lines of credit with Banc of America Public Capital Corporation in connection with various capital and capital equipment purchases, on the dates and in the original principal amounts as further described in the following table.

On October 25, 2022, the County entered into a $50 million multi-year lease line of credit with JPMorgan Chase Bank, N.A. (in increments of $25 million).

TABLE 38
COUNTY OF RIVERSIDE
SUMMARY OF LEASE LINES OF CREDIT
(PAYABLE FROM THE COUNTY'S GENERAL FUND — (AS OF MAY 1, 2023)[(1)]

Date Incurred	Original Principal Amount	Outstanding Principal Amount[(1)]	Outstanding Interest[(1)]	Total Outstanding Obligations[(1)]
February 4, 2014[(2)]	$ 40,000,000	$ 865,129	$ 24,688	$ 889,817
December 15, 2015[(3)]	40,000,000	3,970,007	220,566	4,190,573
July 31, 2018[(4)]	75,000,000	21,210,931	930,451	22,141,382
June 9, 2020[(5)]	40,000,000	29,620,834	2,454,270	32,075,104
October 25, 2022[(6)]	50,000,000	17,517,328	1,827,972	19,345,300
Total	$245,000,000	$73,184,229	$5,457,947	$78,642,176

(1) Outstanding amounts as of May 1, 2023.
(2) This line of credit was exhausted in March 2016.
(3) This line of credit was exhausted in December 2018.
(4) Original principal amount of $50 million increased to $75 million with County approval in April 2019. This line of credit was exhausted on June 3, 2020.
(5) As of May 1, 2023, the County has drawn down $39.9 million of this $40 million lease line of credit.
(6) As of May 1, 2023, the County has drawn down $17.6 million of this $50 million lease line of credit

Capital Lease Purchase Agreements

On October 30, 2014, the County entered into a Lease Purchase Agreement with Banc of America Public Capital Corporation in the amount of $54,573,300 to finance the purchase and installation of certain solar equipment for the purpose of reducing County energy costs. As of March 31, 2017, the financing was restructured to a principal balance of $57,977,325. As of May 1, 2023, approximately $48,414,558 principal amount remained outstanding, which is scheduled to be repaid in full by August 30, 2035.

On June 15, 2019, the County entered into a subsequent Master Equipment Lease Purchase Agreement to finance Cisco SMARTnet for an additional amount of $5,107,584 which is scheduled to be repaid in full by Fiscal Year 2023-24. As of May 1, 2023, approximately $1,021,517 principal amount of this Master Equipment Lease Purchase Agreement remained outstanding.

On June 11, 2021, the County entered into an Equipment Lease Purchase Agreement to finance replacement Cisco network equipment and provide maintenance, support, and software fixes in an additional amount of $3,613,826, which is scheduled to be repaid in full by Fiscal Year 2025-26. As of May 1, 2023, approximately $2,168,295 principal amount of this Lease Purchase Agreement remained outstanding.

On September 30, 2021, the County entered into a Lease Purchase Agreement to finance the renewal of the Cisco Flex Enterprise License Agreement in the amount of $4,014,486, which is scheduled to be repaid in full by Fiscal Year 2025-26. As of May 1, 2023, approximately $2,860,864 principal amount of this Lease Purchase Agreement remained outstanding.

The following chart summarizes the County's outstanding equipment lease obligations:

TABLE 39
COUNTY OF RIVERSIDE
SUMMARY OF EQUIPMENT LEASE OBLIGATIONS
AS OF MAY 1, 2023

	Final Maturity Year	*Original Lease Amount*	*Outstanding Obligations*	*Annual Base Rental*
Lease Purchase Agreement – Solar Equipment	2035	\$57,977,325[1]	\$48,414,558	\$3,115,618
Master Equipment Lease Purchase Agreement (6/15/2019)	2023	5,107,584	1,021,517	1,021,517
Master Equipment Lease Purchase Agreement (6/11/2021)	2025	3,613,826	2,168,295	722,765
Master Equipment Lease Purchase Agreement (9/30/2021)	2025	4,014,486	2,860,864	953,621

(1) Original lease amount of \$54,573,300 was restructured to a principal balance of \$57,977,325.

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