

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA AUTHORIZING THE ISSUANCE OF CITY OF RIVERSIDE TAXABLE PENSION OBLIGATION REFUNDING BONDS, 2017 SERIES A, APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A ELEVENTH SUPPLEMENTAL TRUST AGREEMENT, AN ESCROW AGREEMENT, AN OFFICIAL STATEMENT, AND A BOND PURCHASE AGREEMENT, AND AUTHORIZING OTHER MATTERS RELATING THERETO

WHEREAS, the City Council (the "City Council") of the City of Riverside (the "City") adopted a retirement plan pursuant to the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law"); and

WHEREAS, the Retirement Law obligates the City to (i) make annual contributions to the California Public Employees' Retirement System (the "System") to fund pension benefits for its employees, (ii) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (iii) appropriate funds for the purposes described in (i) and (ii) above; and

WHEREAS, the obligation of the City to pay the unfunded accrued actuarial liability to the System (the "Pension Obligation") is evidenced by a contract between the City and the System, dated July 1, 1945, and amended from time to time thereafter (the "PERS Contract"), and

WHEREAS, in 2004, the City entered into a Trust Agreement, dated as of June 1, 2004 (the "Trust Agreement"), between the City and Wells Fargo Bank, National Association (the "Former Trustee"), pursuant to which the City, on June 29, 2004, issued its City of Riverside Taxable Pension Obligation Bonds, 2004 Series A (the "2004 Bonds") in the aggregate principal amount of \$89,540,000 for the purpose of refunding City obligations to the System evidenced by the PERS Contract; and

WHEREAS, pursuant to Section 3.01 of the Trust Agreement, the City may issue additional series of bonds on a parity with the 2004 Bonds (i) to refund other obligations of the City to the System evidenced by the PERS Contract or (ii) to refund any bonds then outstanding under the Trust Agreement; and

WHEREAS, pursuant to a First Supplemental Trust Agreement dated June 1, 2005, the City has issued on a parity basis with the 2004 Bonds its City of Riverside Taxable Pension Obligation Bonds, 2005 Series A in the aggregate principal amount of \$30,000,000 (the "2005 Series A Bonds") and its City of Riverside Taxable Pension Obligation Bonds, 2005 Series B (Auction Rate Securities) in the aggregate principal amount of \$30,000,000 (the "2005 Series B Bonds") to refund obligations of the City to the System evidenced by the PERS Contract; and

WHEREAS, pursuant to a Second Supplemental Trust Agreement, dated June 1, 2008, the City has issued on a parity with the 2004 Bonds and the 2005 Series A Bonds its City of Riverside Taxable Pension Obligation Refunding Bond Anticipation Notes, 2008 Series A (the "2008 Notes") in order to refund and redeem the 2005 Series B Bonds, in the aggregate principal amount of

\$30,200,000, which 2008 Notes were refunded and repaid from the 2009 Notes, defined below, issued under a Third Supplemental Trust Agreement, described below; and

WHEREAS, pursuant to a Third Supplemental Trust Agreement, dated May 1, 2009, the City has issued on a parity with the 2004 Bonds and the 2005 Series A Bonds its City of Riverside Taxable Pension Obligation Refunding Bond Anticipation Notes, 2009 Series A (the “2009 Notes”) in order to refund and redeem the 2008 Notes in an aggregate principal amount of \$30,425,000, which 2009 Notes were refunded and repaid from the 2010 Notes, defined below, under a Fourth Supplemental Trust Agreement, described below; and

WHEREAS, pursuant to a Fourth Supplemental Trust Agreement, dated May 1, 2010, the City has issued on a parity with the 2004 Bonds and the 2005 Series A Bonds its City of Riverside Taxable Pension Obligation Refunding Bond Anticipation Notes, 2010 Series A (the “2010 Notes”) in order to refund and redeem the 2009 Notes in an aggregate principal amount of \$30,600,000, which 2010 Notes were refunded and repaid from the 2011 Notes, defined below, under a Fifth Supplemental Trust Agreement, described below; and

WHEREAS, pursuant to a Fifth Supplemental Trust Agreement, dated May 1, 2011, the City has issued on a parity with the 2004 Bonds and the 2005 Series A Bonds its City of Riverside Taxable Pension Obligation Refunding Bond Anticipation Notes, 2011 Series A (the “2011 Notes”) in order to refund and redeem the 2010 Notes in an aggregate principal amount of \$30,775,000, which 2011 Notes were refunded and repaid from the 2012 Notes, defined below, under a Sixth Supplemental Trust Agreement, described below; and

WHEREAS, pursuant to a Sixth Supplemental Trust Agreement, dated May 1, 2012, the City has issued on a parity with the 2004 Bonds and the 2005 Series A Bonds its City of Riverside Taxable Pension Obligation Refunding Bond Anticipation Notes, 2012 Series A (the “2012 Notes”) in order to refund and redeem the 2011 Notes in an aggregate principal amount of \$30,940,000, which 2012 Notes were refunded and repaid from the 2013 Notes defined below, under a Seventh Supplemental Trust Agreement, described below; and

WHEREAS, pursuant to a Seventh Supplemental Trust Agreement dated May 1, 2013, the City has issued on a parity with the 2004 Bonds and the 2005 Series A Bonds its City of Riverside Taxable Pension Obligation Refunding Bond Anticipation Notes, 2013 Series A (the “2013 Notes”) in order to refund and redeem the 2012 Notes in an aggregate principal amount of \$30,940,000, which 2013 Notes were refunded and repaid from the 2014 Notes, defined below, under an Eighth Supplemental Trust Agreement, described below; and

WHEREAS, pursuant to an Eighth Supplemental Trust Agreement dated May 1, 2014, the City has issued on a parity with the 2004 Bonds and the 2005 Series A Bonds its City of Riverside Taxable Pension Obligation Refunding Bond Anticipation Notes, 2014 Series A (the “2014 Notes”) in order to refund and redeem the 2013 Notes in an aggregate principal amount of \$30,940,000, which 2014 Notes were refunded and repaid from the 2015 Notes, defined below, under a Ninth Supplemental Trust Agreement, described below; and

WHEREAS, pursuant to a Ninth Supplemental Trust Agreement dated May 1, 2015, the City has issued on a parity with the 2004 Bonds and the 2005 Series A Bonds its City of Riverside Taxable Pension Obligation Refunding Bond Anticipation Notes, 2015 Series A (the “2015 Notes”) in order to refund and redeem the 2014 Notes in an aggregate principal amount of \$30,940,000,

which 2015 Notes were refunded and repaid from the 2016 Notes, defined below, under a Tenth Supplemental Trust Agreement, described below; and

WHEREAS, pursuant to a Tenth Supplemental Trust Agreement dated May 1, 2016, the City has issued on a parity with the 2004 Bonds and the 2005 Series A Bonds its City of Riverside Taxable Pension Obligation Refunding Bond Anticipation Notes, 2016 Series A (the “2016 Notes”) in order to refund and redeem the 2014 Notes in an aggregate principal amount of \$31,145,000, which 2016 Notes are expected to be refunded and repaid from the 2017 Bonds, defined below, under a Eleventh Supplemental Trust Agreement, defined below; and

WHEREAS, the City has determined that it is in the best interests of the City to refund and redeem the 2016 Notes by issuing its City of Riverside Taxable Pension Obligation Refunding Bonds, 2017 Series A, in the aggregate principal amount of not to exceed \$34,500,000 (the “2017 Bonds”); and

WHEREAS, the 2017 Bonds will be payable on a parity basis with the 2004 Bonds and the 2005 Series A Bonds and any additional series of bonds hereafter issued by the City pursuant to the Trust Agreement; and

WHEREAS, the 2017 Bonds will be issued pursuant to the Trust Agreement, as supplemented by an Eleventh Supplemental Trust Agreement to be entered into between the City and U.S. Bank National Association (the “Trustee”), as successor to the Former Trustee (the “Eleventh Supplemental Trust Agreement”); and

WHEREAS, there has been provided to the City Council copies of (i) the proposed form of Eleventh Supplemental Trust Agreement relating to the 2017 Bonds, including the form of the 2017 Bond attached thereto as an exhibit, (ii) an Escrow Agreement providing for the defeasance and redemption at maturity of the 2016 Notes; (iii) the Bond Purchase Agreement relating to the 2017 Bonds and (iv) the Preliminary Official Statement relating to the 2017 Bonds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Riverside, California, as follows:

Section 1. Findings. The City Council hereby finds and declares that the issuance of the 2017 Bonds to redeem at maturity the 2016 Notes, and the other actions contemplated by this Resolution, are in the best interests of the City.

Section 2. The 2017 Bonds. The City Council hereby authorizes and approves the issuance of the 2017 Bonds and hereby authorizes and directs the Chief Financial Officer to execute the 2017 Bonds and to cause the 2017 Bonds to be authenticated and delivered in accordance with the Eleventh Supplemental Trust Agreement. The 2017 Bonds shall be in substantially the form attached to the Eleventh Supplemental Trust Agreement, with such changes therein, deletions therefrom and additions thereto as the Chief Financial Officer shall approve, such approval to be conclusively evidenced by the execution and delivery of the 2017 Bonds. The aggregate initial principal amount of the 2017 Bonds shall not exceed \$34,500,000. The Underwriter’s discount on the 2017 Bonds, excluding any original issue discount, shall not exceed 0.95% of the aggregate principal amount of the 2017 Bonds. The 2017 Bonds shall constitute an obligation imposed by law, pursuant to the Constitution of the State of California and the Retirement Law and an obligation of the City not limited as to payment from any special source of funds. The 2017 Bonds shall not,

however, constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Section 3. Eleventh Supplemental Trust Agreement. The proposed form of Eleventh Supplemental Trust Agreement, between the City and the Trustee, a copy of which has been provided to the City Council, is hereby approved. The Mayor, the Treasurer, the Chief Financial Officer and the City Manager (the “Authorized Representatives”) are each hereby authorized and directed, severally, for and on behalf of the City, to execute and deliver the Eleventh Supplemental Trust Agreement, substantially in the form provided to the City Council, with such changes therein, deletions therefrom and additions thereto (including, but not limited to changes, deletions and additions as may be required by a bond rating agency) as such Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery of the Eleventh Supplemental Trust Agreement. Additionally, each of the Authorized Representatives is each authorized to take any and all actions, including the execution of any documents, certificates or agreements, necessary to replace the Former Trustee with the Trustee prior to or after the issuance of the 2017 Bonds.

Section 4. Bond Purchase Agreement. The proposed form of Bond Purchase Agreement, between the City and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), a copy of which has been provided to the City Council, is hereby approved. The Authorized Representatives are each hereby authorized and directed, severally, for and on behalf of the City, to execute and deliver the Bond Purchase Agreement, substantially in the form provided to the City Council, with such changes therein, deletions therefrom and additions thereto as such Authorized Representative shall provide, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 5. Preliminary Official Statement. Each of the Authorized Representatives is hereby authorized to approve a Preliminary Official Statement relating to the 2017 Bonds (such approval to be conclusively evidenced by the delivery thereof) (the “Preliminary Official Statement”), and the City Council hereby approves the use of the Preliminary Official Statement, a copy of which has been provided to the City Council, in connection with the offering and sale of the 2017 Bonds, with such additions thereto and changes therein as are determined necessary or appropriate by an Authorized Representative to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (except for the omission of those items permitted by said Rule). Each Authorized Representative is authorized to deem the Preliminary Official Statement to be final within the meaning of such Rule 15c2-12 subject to completion of those items permitted by said Rule.

Section 6. Final Official Statement. Each of the Authorized Representatives is hereby authorized to approve an Official Statement relating to the 2017 Bonds (such approval to be conclusively evidenced by his execution and delivery thereof) (the “Official Statement”), and the City Council hereby approves the use of the Official Statement in connection with the offering and sale of the 2017 Bonds. The City Council hereby further approves the use of any supplement or amendment to the Official Statement that is necessary or appropriate so that, in the opinion of an Authorized Representative, such Official Statement does not include any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which such statements were made, not misleading. Each of the Authorized Representatives is hereby authorized and directed, severally, to execute the Official Statement and any amendment or supplement thereto, in the name and on behalf of the City, and

thereupon to cause such Official Statement and any such amendment or supplement to be delivered to the Underwriter. The Underwriter is authorized to distribute the Preliminary Official Statement and the Official Statement, and any such supplement or amendment thereto, to the purchasers or prospective purchasers of the 2017 Bonds.

Section 7. Escrow Agreement. The form of Escrow Agreement (the “Escrow Agreement”) relating to the defeasance and redemption at maturity of the 2016 Notes as presented at this meeting is hereby approved and the Authorized Representatives are each hereby authorized and directed, severally, for and in the name of and on behalf of the City, to execute and deliver the Escrow Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. Other Actions. Each of the Authorized Representatives is hereby authorized to do any and all things, including (without limitation) to execute and deliver any and all certificates, requisitions, agreements, notices, consents, and other documents, including a letter of representations to the securities depository, a continuing disclosure certificate or agreement and the closing certificates, which any such Authorized Representative may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 2017 Bonds as contemplated in the Bond Purchase Agreement, the Trust Agreement as supplemented, and the Escrow Agreement, and any such actions previously taken by any Authorized Representative are hereby ratified, confirmed and approved.

Section 9. Effective Date. This Resolution shall take effect upon its adoption.

ADOPTED by the City Council and signed by the Mayor and attested by the City Clerk this 25th day of April, 2017.

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WILLIAM R. BAILEY, III  
Mayor of the City of Riverside

Attest:

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COLLEEN J. NICOL  
City Clerk of the City of Riverside

I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a meeting of the City Council of said City at its meeting held on the 25th day of April, 2017, by the following vote, to wit:

Ayes:

Noes:

Absent:

Abstain:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Riverside, California, this \_\_\_ th day of \_\_\_\_\_, 2017.

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COLLEEN J. NICOL  
City Clerk of the City of Riverside