

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
RIVERSIDE, CALIFORNIA, AUTHORIZING THE PLAN OF FINANCE
RELATED TO CERTAIN PREVIOUSLY ISSUED
VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS OF THE CITY,
INCLUDING AN AMENDMENT OF A PREVIOUSLY APPROVED SUPPLEMENTAL
RESOLUTION, AND CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Section 1108 of the City Charter (“City Charter”), the City Council (the “City Council”) of the City of Riverside (the “City”) is authorized to provide for the issuance of Revenue Bonds (as defined in the City Charter) by state law or by procedural ordinance for any City purpose; and

WHEREAS, the City Council of the City on April 20, 1982 adopted Ordinance No. 5001, as amended by Ordinance No. 5071 and Ordinance No. 6815 adopted by the City Council of the City on March 22, 1983 and July 26, 2005, respectively, providing the procedure for the issuance of such bonds; and

WHEREAS, pursuant to Resolution No. 17662 adopted by the City Council on January 8, 1991 (as amended and supplemented from time to time, the “Electric System Master Resolution”), the City Council has heretofore authorized the issuance of Electric Revenue Bonds (the “Electric Revenue Bonds”) of the City by adoption of supplemental resolutions from time to time, with the payment of the principal, interest on and any redemption premiums thereon being secured by and payable solely from the Net Operating Revenues of the Electric System (as defined in the Electric System Master Resolution); and

WHEREAS, pursuant to Resolution No. 21612 adopted by the City Council on April 22, 2008, the City has issued its Variable Rate Refunding Electric Revenue Bonds, Issue of 2008B (the “2008B Electric Revenue Bonds”); and

WHEREAS, pursuant to Resolution No. 22193 adopted by the City Council on April 5, 2011 (the “Sixteenth Supplemental Resolution”), the City Council approved the refunding of the 2008B Electric Revenue Bonds from proceeds of the issuance of the City’s Variable Rate Refunding Electric Revenue Bonds, Issue of 2011A (the “2011A Electric Revenue Bonds”) in a direct purchase arrangement with Wells Fargo Bank, National Association; and

WHEREAS, pursuant to Resolution No. 22664 adopted by the City Council on March 25, 2014 (the “2014 Amendment to Sixteenth Supplemental Resolution” and, together with the Sixteenth Supplemental Resolution, the “2011A Supplemental Resolution”), the City Council approved certain actions related to the remarketing of the 2011A Electric Revenue Bonds and certain amendments to the Sixteenth Supplemental Resolution; and

WHEREAS, as provided in this Resolution, the City Council desires: (i) to ratify, approve and authorize certain actions related to the extension of the existing Index Interest Rate Period pursuant to which the 2011A Electric Revenue Bonds will continue to be directly owned by Wells Fargo Bank, National Association (“WFB”); and (ii) to make certain amendments to the 2011A Supplemental Resolution in connection therewith; and

WHEREAS, it is desirable that the City Council authorize certain other actions or ratify certain prior actions related to the proposed plan of finance regarding the previously issued variable rate bonds described in these Recitals;

NOW, THEREFORE, THE CITY COUNCIL DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Extension of the Index Interest Rate Period for the 2011A Electric Revenue Bonds. As authorized in the 2011A Supplemental Resolution, the City entered into that certain Continuing Covenant Agreement, dated as of April 1, 2011 (the "Continuing Covenant Agreement"), with WFB and authorized WFB's direct purchase of the 2011A Electric Revenue Bonds. In connection with the extension of the existing Index Interest Rate Period and the direct purchase of the 2011A Electric Revenue Bonds by WFB, all as previously authorized in the 2011A Supplemental Resolution, the Treasurer and the Chief Financial Officer (or any duly authorized designee thereof) hereby are authorized, empowered and directed to take any and all actions and execute and deliver such instruments, certificates or notices, as appropriate, so as to be able to effectuate the extension of the existing Index Interest Rate Period.

In connection therewith, the City Manager, the Treasurer and the Chief Financial Officer (or any duly authorized designee thereof) are authorized to execute and deliver a Second Amendment to the Continuing Covenant Agreement, with such changes therein as such officer shall deem appropriate and in the best interests of the City, as conclusively evidenced by his or her execution thereof.

Section 2. Amendment No. 2 to Resolution No. 22193 adopted on April 5, 2011. Pursuant to the 2011A Supplemental Resolution, the City Council authorized the delivery and issuance of the 2011A Electric Revenue Bonds. The City Council hereby approves the below-described amendments to the 2011A Supplemental Resolution. The amendments set forth in this Section 2 will become effective on the same date as the Second Amendment to the Continuing Covenant Agreement becomes effective (the "Effective Date").

A. The final sentence of the definition of the term "Calculation Agent" in Article I of the 2011A Supplemental Resolution is hereby amended and restated as follows:

"The initial Calculation Agent shall be Wells Fargo Bank, National Association."

B. The definition of the term "Continuing Covenant Agreement" in Article I of the 2011A Supplemental Resolution is hereby amended and restated as follows:

"“Continuing Covenant Agreement” means, during the Initial Index Interest Rate Period, the Continuing Covenant Agreement, dated as of April 1, 2011, as amended, by and between the City and the Initial Purchaser, as the same may be further amended, supplemented, restated or otherwise modified from time to time, and during any other Index Interest Rate Period, the term shall mean any agreement between the City and the Initial Purchaser which may be designated as the Continuing Covenant Agreement.”"

C. The definition of the term “Continuing Disclosure Certificate” in Article I of the 2011A Supplemental Resolution is hereby amended and restated as follows:

““Continuing Disclosure Certificate” means the Continuing Disclosure Certificate executed and delivered by the City in connection with the issuance of the 2011A Bonds, but excluding the Initial Index Interest Rate Period or any other Direct Purchase Period.”

D. The following defined term is hereby added to Article I of the 2011A Supplemental Resolution:

““Direct Purchase Period” means (i) the Initial Index Interest Rate Period and (ii) any subsequent Interest Rate Period so designated by the City as a Direct Purchase Period in writing to the Market Agent or the Remarketing Agent, as applicable, the Calculation Agent, the Fiscal Agent and the new Owners of the 2011A Bonds, such Owners being those persons or entities owning the 2011A Bonds upon the commencement of such Direct Purchase Period, at or prior to the Conversion to such Interest Rate Period.”

E. Clause (i) of the definition of the term “Index Rate Scheduled Purchase Date” in Article I of the 2011A Supplemental Resolution is hereby amended and restated as follows:

“(i) during the 2014 Index Interest Rate Period, April 27, 2020”

F. The term “Initial Index Interest Rate Period” in Article I of the 2011A Supplemental Resolution is hereby amended to “2014 Index Interest Rate Period.” All references to the term “Initial Index Interest Rate Period” in the 2011A Supplemental Resolution are revised accordingly.

G. The term “Initial Index Interest Rate Period” in Article I of the 2011A Supplemental Resolution is hereby amended and restated as follows:

““2014 Index Interest Rate Period” means the period commencing on April 28, 2014, to but excluding the first to occur of: (i) the immediately succeeding Index Rate Purchase Date; (ii) the first date on which the 2011A Bonds bear interest in an Interest Rate Period other than the Index Interest Rate; or (iii) a date on which all 2011A Bonds are redeemed in accordance with the terms of this Sixteenth Supplemental Resolution or all principal and accrued interest on all 2011A Bonds are otherwise paid in full;”

H. The following defined term is hereby added to Article I of the 2011A Supplemental Resolution:

““Market Agent” means a third-party financial advisory firm, investment banking firm, commercial bank or any other financial institution with experience in pricing information for tax-exempt municipal securities, as selected by the City (and consented to by the

Initial Purchaser) to serve as market agent in connection with a conversion to an Index Rate Period.”

I. The term “Purchase Default Period” in Article I of the 2011A Supplemental Resolution is hereby amended and restated as follows:

““Purchase Default Period” means, upon a failure to purchase tendered 2011A Bonds on an Index Rate Scheduled Purchase Date, the period commencing on such Index Rate Scheduled Purchase Date and ending on the fifth (5th) or the third (3rd) anniversary of such Index Rate Scheduled Purchase Date, as the case may be, as set forth in Section 2.23(E) hereof.”

J. The term “Purchase event of Default” in Article I of the 2011A Supplemental Resolution is hereby amended to “Purchase Event of Default.” All references to the term “Purchase Event of Default” in the 2011A Supplemental Resolution are revised accordingly.

K. The term “Remarketing Agent” in Article I of the 2011A Supplemental Resolution is hereby amended and restated as follows:

““Remarketing Agent” means each Person qualified under Section 2.22(A) hereof to act as Remarketing Agent for the 2011A Bonds and appointed by the City from time to time under the Remarketing Agreement; provided, however, that during a Direct Purchase Period, the Remarketing Agent shall be the Market Agent, except in the event of a conversion to an Interest Rate Period that is not a Direct Purchase Period.”

L. The first sentence of Section 2.02(C) of the 2011A Supplemental Resolution is hereby amended and restated as follows:

“The 2011A Bonds shall be issued in fully registered form and shall be registered in the name of “Cede & Co.,” as nominee of DTC in accordance with Section 2.08 hereof.”

M. The following is added at the end of the first paragraph of Section 2.03(C) of the 2011A Supplemental Resolution:

“Interest during an Index Interest Rate Period while the 2011A Bonds bear interest at the LIBOR Index Interest Rate shall accrue on the basis of a year of 360 days and actual days elapsed.”

N. The following is added at the end of Section 2.04(A) of the 2011A Supplemental Resolution:

“Notwithstanding the foregoing, so long as the 2011A Bonds are: (i) in a Direct Purchase Period and (ii) the City wishes to convert the 2011A Bonds to a new Index Interest Rate Period which is a Direct Purchase Period, all in accordance with the Continuing Covenant Agreement, the City may cause the 2011A Bonds to be converted to

such a new Interest Rate Period by delivering a notice (the “Direct Purchase Period Conversion Notice”) in the form of Exhibit E attached hereto, properly completed and executed by the City, with the consent of the Initial Purchaser, to the Fiscal Agent not less than ten (10) Business Days prior to the Conversion Date on which the change in the Interest Rate Period of the 2011A Bonds is to be effective, as specified in such notice. The Direct Purchase Period Conversion Notice shall state: (i) that the City elects to change from an Index Interest Rate Period to a new Index Interest Rate Period, (ii) the proposed Conversion Date, (iii) whether such Index Interest Rate shall be a SIFMA Index Interest Rate or a LIBOR Index Interest Rate, (iv) the new Index Rate Scheduled Purchase Date, (v) the new Applicable LIBOR Spread or Applicable SIFMA Spread, and (vi) if such Index Interest Rate shall be a LIBOR Index Interest Rate, the new Applicable LIBOR Factor.”

O. The following is added at the end of Section 2.04(C) of the 2011A Supplemental Resolution:

“(7) Upon the Conversion to an Interest Rate Period which is not also a Direct Purchase Period, the Fiscal Agent, the Issuer and the Remarketing Agent, if any, shall have received, at least two (2) Business Days prior to the proposed Conversion Date, either (i) a copy of a continuing disclosure agreement imposing obligations upon the City or any other responsible party to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”), with respect to the Bonds, together with such disclosure documents as the Remarketing Agent, if any, shall require in order to comply with the Rule, if the Rule will be applicable upon such Conversion, or (ii) an Opinion of Bond Counsel that, notwithstanding such Conversion, the Rule will not be applicable to the Bonds as of and after the Conversion Date.”

P. The following is added at the end of Section 2.04(D) of the 2011A Supplemental Resolution:

“If the 2011A Bonds are in a Direct Purchase Period during such failed Conversion, the 2011A Bonds shall not be subject to tender for purchase on the date of such failed Conversion.”

Q. The first sentence of Section 2.06(B) of the 2011A Supplemental Resolution is hereby amended and restated as follows:

“If a LIBOR Index Interest Rate is designated by the City, such rate shall be determined by the Calculation Agent on each LIBOR Rate Determination Date.”

R. Section 2.06(C) of the 2011A Supplemental Resolution is hereby amended and restated as follows:

“If a SIFMA Index Interest Rate is designated by the City, such rate shall be determined by the Calculation Agent on each SIFMA Rate Determination Date. The SIFMA Index Interest Rate determined on each SIFMA Rate Determination Date shall become effective on each SIFMA Rate Reset Date. The SIFMA Index Interest Rate shall be rounded upward to the second decimal place. Interest accrued on the 2011A Bonds shall be payable on each Interest Payment Date.”

S. The first sentence of Section 2.08 of the 2011A Supplemental Resolution is hereby amended and restated as follows:

“The 2011A Bonds shall be issued in fully registered form and shall be registered in the name of “Cede & Co.,” as nominee of DTC and registered Owner of the 2011A Bonds, and held in the custody of the Securities Depository.”

T. The following is added at the end of the first paragraph of Section 2.16(F) of the 2011A Supplemental Resolution:

“Notwithstanding the foregoing, during a Direct Purchase Period, no such mandatory tender shall be required if there is no change in ownership of the 2011A Bonds in connection with the new Index Interest Rate Period.”

U. The word “with” in the second sentence of Section 2.23(E) of the 2011A Supplemental Resolution is hereby deleted and replaced with the word “within.”

V. The following is added at the end of the first paragraph of Section 2.23(E) of the 2011A Supplemental Resolution is hereby amended and restated as follows:

“For the avoidance of doubt, if the conditions that are set forth in the preceding sentence are not satisfied, then the 2011A Bonds shall be subject to special mandatory redemption as provided in Section 2.23(E)(1)(d)(B) below.”

W. Section 2.23(E)(1)(b) of the 2011A Supplemental Resolution is hereby deleted and replaced with “[RESERVED].”

X. Exhibit A to the 2011A Supplemental Resolution is hereby amended and restated as set forth below. The below form shall be executed by the City, authenticated by the Trustee and delivered to The Depository Trust Company upon the surrender of the physical delivery bond that was issued pursuant to the Sixteenth Supplemental Resolution:

[FORM OF 2011A BOND]

No. R-1

\$_____

CITY OF RIVERSIDE, CALIFORNIA
VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS, ISSUE OF 2011A

UNLESS THIS 2011A BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE FISCAL AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY 2011A BOND 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.

<u>Maturity Date</u>	<u>Dated Date</u>	<u>Interest Rate</u>
October 1, 2035	April __, 2011	Variable

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THE CITY OF RIVERSIDE, a municipal corporation situated in the County of Riverside, State of California (the “City”), acting by and through its City Council (hereinafter called the “City Council”), FOR VALUE RECEIVED, hereby promises to pay, solely from Net Operating Revenues and any other funds, security or assets pledged to the payment hereof as hereinafter provided, to the registered owner named above or registered assigns, on the maturity date specified above (subject to any right of prior redemption or payment as provided in the hereinafter mentioned Resolution), the principal sum specified above, and to pay, in the manner and from the sources provided below, to the registered owner hereof interest on the balance of said principal amount from time to time remaining unpaid as provided herein, until payment in full of such principal amount, except as the provisions set forth below with respect to redemption prior to maturity may become applicable hereto. Such interest on this 2011A Bond (as hereinafter defined) shall be paid from and including the most recent Interest Payment Date to which interest has been paid in full or duly provided for, or, if it is the first payment of interest on this 2011A Bond, from the Dated Date set forth above, payable on each Interest Payment Date at the rates per annum determined as described herein and in the Resolution mentioned below until the principal sum hereof is paid.

This 2011A Bond is one of a duly authorized issue of “City of Riverside, Variable Rate Refunding Electric Revenue Bonds, Issue of 2011A” (the “2011A Bonds”) issued in the aggregate principal amount of \$_____ pursuant to the Law (as defined in the hereinafter defined Resolution) and Resolution No. 17662 adopted by the City Council on January 8, 1991, as amended and supplemented (the “Master Resolution”) and Resolution No. 22193 adopted by the City Council on April 5, 2011 (as amended, the “Sixteenth Supplemental Resolution”); the Master Resolution as supplemented by the Sixteenth Supplemental Resolution (and as amended and supplemented by the other Supplemental Resolution adopted on the same date as the Sixteenth Supplemental Resolution) is referred to herein as the “Resolution.” The 2011A Bonds, together with the City’s Outstanding Electric Revenue Bonds and any additional Electric Revenue Bonds issued pursuant to the Master Resolution are herein referred to as the “Bonds.” Reference is hereby made to the Master Resolution, the Sixteenth Supplemental Resolution and to the Law for a description of the terms on

which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the Net Operating Revenues (as defined in the Resolution), and all of the terms of the Resolution and the Law are hereby incorporated herein and constitute a contract between the City and the registered owner from time to time of this Bond, and by acceptance hereof the registered owner of this Bond assents to said terms and conditions. The Resolution is adopted under, and this Bond is issued under, and all are to be construed in accordance with, the laws of the State of California.

The 2011A Bonds are special limited obligations of the City payable from and secured by a pledge of and a lien and charge upon the Net Operating Revenues on a parity with all Bonds and all other debt issued or incurred by the City and payable from, and having an equal lien and charge upon, Net Operating Revenues in accordance with the terms of the Resolution. The general fund of the City is not liable for the payment of the 2011A Bonds, any premium thereon upon redemption prior to maturity or their interest, nor is the credit or taxing power of the City pledged for the payment of the 2011A Bonds, any premium thereon upon redemption prior to maturity or their interest. The registered owner hereof shall not compel the exercise of the taxing power by the City or the forfeiture of any of its property. The principal of and interest on the 2011A Bonds and any premium upon the redemption of any thereof prior to maturity are not a debt of the City nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the Net Operating Revenues and other funds, security or assets which are pledged to the payment of the 2011A Bonds, interest thereon and any premium upon redemption.

The 2011A Bonds are issuable as fully registered 2011A Bonds in Authorized Denominations. This 2011A Bond is being issued initially at an Index Interest Rate, designated by the City to be at the LIBOR Index Interest Rate, as provided in the Sixteenth Supplemental Resolution.

As provided in and subject to the terms and conditions of the Sixteenth Supplemental Resolution, the 2011A Bonds may, from time to time, be converted from one Interest Rate Period to a different Interest Rate Period or from one Long-Term Interest Rate Period to a different Long-Term Interest Rate Period. Certain elections to convert Interest Rate Periods are subject to rescission by the City as provided in the Sixteenth Supplemental Resolution.

This 2011A Bond is subject to tender for purchase and is subject to redemption prior to maturity as provided in the Resolution, including the Sixteenth Supplemental Resolution.

This 2011A Bond is transferable or exchangeable for other authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the corporate trust office of the Fiscal Agent in St. Paul, Minnesota or such other location as may be designated by the Fiscal Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this 2011A Bond. Upon such transfer or exchange a new fully registered 2011A Bond or 2011A Bonds without coupons, of authorized denomination or denominations, of the same series, tenor, maturity and interest rate for the same aggregate principal amount will be issued to the registered owner in exchange hereof.

The City, the Fiscal Agent and any paying agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the City, the Fiscal Agent and any paying agent shall not be affected by any notice to the contrary.

The rights and obligations of the City, the Fiscal Agent and of the registered owners of the 2011A Bonds may be modified or amended from time to time in the manner, to the extent and upon the terms provided in the Resolution, provided that no such modification or amendment shall (a) extend the fixed maturity of this 2011A Bond, or reduce the amount of principal hereof, or extend the time of payment or reduce the amount of any mandatory sinking account payment provided for the payment of this 2011A Bond, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the registered owner hereof, or (b) reduce the percentage of Bonds the consent of the registered owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Net Operating Revenues and other assets pledged under the Resolution prior to or on a parity with the lien created by the Resolution, or deprive the registered owners of the Bonds of the lien created by the Resolution on such Net Operating Revenues and other assets (in each case, except as expressly provided in the Resolution), without the consent of the registered owners of all of the Bonds then Outstanding.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to have happened and to have been performed precedent to and in the issuance of this ~~2011A~~ Bond do exist, have happened, and have been performed in due time, form and manner as required by the Constitution and laws of the State of California and that this ~~2011A~~ Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution and laws of the State of California and the Charter of the City and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

This 2011A Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed and dated by the Fiscal Agent.

In the event of any conflict or inconsistency between the terms and provisions of this 2011A Bond and the terms and provisions of the Resolution, the terms and provisions of the Resolution shall control.

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Resolution.

IN WITNESS WHEREOF, said City of Riverside has caused this 2011A Bond to be signed by the Treasurer and the City Clerk of said City by their manual or facsimile signatures, and sealed with the facsimile corporate seal of said City as of the Dated Date specified above.

Treasurer of the City of Riverside, California

Attest:

City Clerk of the City of Riverside, California

(SEAL)

FISCAL AGENT'S
CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This 2011A Bond is one of the 2011A Bonds delivered pursuant to the within mentioned Master Resolution and Sixteenth Supplemental Resolution. This 2011A Bond has been registered in the registration books of the Fiscal Agent in the name of Cede & Co., as nominee of the Securities Depository.

Date of Authentication:

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

For value received _____ hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the books of the City at the office of the Fiscal Agent, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name on the face of the within registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guaranteed by:

NOTE: Signature must be guaranteed by an eligible guarantor institution.

Y. The definition of the term “Applicable LIBOR Factor” in Article I of Exhibit C to the 2011A Supplemental Resolution is hereby amended and restated as follows:

““**Applicable LIBOR Factor**” means: (i) during the Initial Index Interest Rate Period, seventy percent (70%); and (ii) during any other Index Interest Rate Period, the percentage, which shall not be lower than 65% or higher than 135%, determined by the Remarketing Agent on or before the first day of such LIBOR Index Interest Accrual Period that, when multiplied by LIBOR and when the Applicable LIBOR Spread is added or subtracted (as the case may be) from such product (and multiplied by the Margin Rate Factor), would equal the minimum interest rate per annum that would enable the Remarketing Agent or such other entity to sell the 2011A Bonds on such date at a price equal to the principal amount thereof, plus accrued interest, if any, thereon.”

Z. The column entitled “APPLICABLE LIBOR SPREAD” in the table that is set forth in clause (i) of the definition of the term “Applicable LIBOR Spread” in Article I of Exhibit C to the 2011A Supplemental Resolution is hereby amended and restated as follows:

“0.35%

0.40%

0.45%

0.55%

0.75%

1.05%

1.35%”

AA. The words “(and multiplied by the Margin Rate Factor)” are added after the words “Applicable LIBOR Factor” in clause (ii) of the definition of the term “Applicable LIBOR Spread” in Article I of Exhibit C to the 2011A Supplemental Resolution.

BB. The words “(and multiplied by the Margin Rate Factor)” are added after the words “SIFMA Average Index Rate” in clause (ii) of the definition of the term “Applicable SIFMA Spread” in Article I of Exhibit C to the 2011A Supplemental Resolution.

CC. The definition of the term “LIBOR” in Article I of Exhibit C to the 2011A Supplemental Resolution is hereby amended and restated as follows:

““**LIBOR**” means the rate of interest per annum determined by the Calculation Agent based on the rate for United States dollar deposits for delivery on the first day of each LIBOR Index Accrual Period for a period equal to one month as reported on Reuters Screen LIBOR01 page (or any successor page) at approximately 11:00 a.m., London time, on each LIBOR Index Rate Determination Date (or if not so reported, then as determined by the Calculation Agent from another recognized source of interbank quotation). Notwithstanding anything herein to the contrary, if LIBOR determined as provided above would be less than zero percent (0.0%), then LIBOR shall be deemed to be zero percent (0.00%).”

DD. The definition of the term “LIBOR Index Interest Rate” in Article I of Exhibit C to the 2011A Supplemental Resolution is hereby amended and restated as follows:

““**LIBOR Index Interest Rate**” means a per annum rate of interest equal to the product of: (a) the sum of: (i) the Applicable Spread; plus (ii) the product of: (x) LIBOR; multiplied by (y) the Applicable LIBOR Factor; and (b) the Margin Rate Factor.”

EE. The definition of the term “LIBOR Rate Determination Date” in Article I of Exhibit C to the 2011A Supplemental Resolution is hereby amended and restated as follows:

““**LIBOR Rate Determination Date**” means the date that is two London Business Days preceding the first day of each LIBOR Index Interest Accrual Period.”

FF. The definition of the term “London Business Day” in Article I of Exhibit C to the 2011A Supplemental Resolution is hereby amended and restated as follows:

“**London Business Day**” means any day that is a day for trading by and between banks in dollar deposits in the London interbank market.”

GG. Article I of Exhibit C to the 2011A Supplemental Resolution is hereby amended to add the following definitions in alphabetical order:

“**Margin Rate Factor**” means the greater of: (i) 1.0; and (ii) the product of: (A) one minus the Maximum Federal Corporate Tax Rate; multiplied by (B) 1.53846. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

“**Maximum Federal Corporate Tax Rate**” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser).”

HH. The definition of the term “SIFMA Index Interest Rate” in Article I of Exhibit C to the 2011A Supplemental Resolution is hereby amended and restated as follows:

“**SIFMA Index Interest Rate**” means a per annum rate of interest equal to the product of: (a) the sum of the Applicable SIFMA Spread plus the SIFMA Average Index Rate; and (b) the Margin Rate Factor.”

II. The first paragraph of Section 2.1 of Exhibit C to the 2011A Supplemental Resolution is hereby amended and restated as follows:

“While in an Index Interest Rate Period or in the event that the City determines to continue in another Index Interest Rate Period, the following additional provisions shall apply to the 2011A Bonds, provided however that during a Direct Purchase Period, the appointment of a Remarketing Agent is not required in connection with any such Conversion.”

JJ. The words “and the Margin Rate Factor” are added after the words “Applicable LIBOR Factor” in Section 2.1(A) of Exhibit C to the 2011A Supplemental Resolution.

KK. The following is added as Exhibit E to the 2011A Supplemental Resolution.

EXHIBIT E

FORM OF DIRECT PURCHASE PERIOD CONVERSION NOTICE

[DATE]

[FISCAL AGENT]

[ADDRESS]

Attention:

[BOND CAPTION]

Ladies and Gentlemen:

Reference is hereby made to that:

A. Resolution No. 17662 adopted by the City Council of the City of Riverside on January 8, 1991, as amended and supplemented (the "Resolution"), including by Resolution No. 22193 adopted by the City Council of the City of Riverside on April 5, 2011 (as amended, the "Sixteenth Supplemental Resolution"); and;

B. Continuing Covenant Agreement dated as of April 1, 2011 (the "Continuing Covenant Agreement") between the City of Riverside (the "City") and Wells Fargo Bank, National Association, as Purchaser (the "Purchaser").

All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Resolution.

The City hereby elects to change the Index Interest Rate Period for the 2011A Bonds to a new Index Interest Rate Period as follows:

1. Conversion Date: _____.
2. New Index Interest Rate: [LIBOR Index Rate] [SIFMA Index Rate].
3. New Index Rate Scheduled Purchase Date: _____.
4. New Applicable Factor: _____%.
5. New Applicable Spread: _____ basis points (____%)

In accordance with Section 2.04(C)(3) of the Sixteenth Supplemental Resolution, the City shall deliver to the Fiscal Agent by 10:00 a.m., Local Time, on the proposed Conversion Date specified above a Favorable Opinion of Bond Counsel.

Very truly yours,

CITY OF RIVERSIDE

By
Name
Title

The Purchaser hereby agrees, subject to the satisfaction all requirements of the Resolution, to purchase the 2011A Bonds in the new Index Interest Rate Period upon the foregoing terms on the Conversion Date.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Purchaser

By
Name
Title

Section 3. Further Action. The City Manager, the Treasurer, the Chief Financial Officer and the Public Utilities General Manager of the City (or any duly authorized designee of any of such officers) is each hereby authorized, empowered and directed to execute such other documents in addition to those enumerated herein and take such other actions as each deems necessary or advisable in order to consummate the remarketing of the 2011A Electric Revenue Bonds and the amendment of the 2011A Supplemental Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the actions herein authorized or contemplated (including, but not limited to, executing such documents or taking such actions as may be necessary to arrange for the execution of such instructions and directions on behalf of the City to effect the transactions described in this Resolution. Such actions heretofore taken by such officers or their designees are hereby ratified, confirmed and approved.

Section 4. Effective Date of Resolution. This Resolution shall take effect upon the approval of a majority of the members of the City Council and upon the execution of a certificate of the Initial Purchaser (as such term is defined in the 2011A Supplemental Resolution) consenting to this Resolution, as provided in the Law.

ADOPTED, by the City Council and signed by the Mayor and attested by the City Clerk this 11th day of April, 2017.

RUSTY BAILEY
Mayor of the City of Riverside

ATTEST:

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 adopted by the City Council of said City at its meeting held on the 11th day of April, 2017, by the following vote, to wit:

Ayes:

Noes:

Absent:

Disqualified: None

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.

COLLEEN J. NICOL
City Clerk of the City of Riverside

(SEAL)