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

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
RIVERSIDE, CALIFORNIA, AUTHORIZING THE ISSUANCE OF  
REFUNDING SEWER REVENUE BONDS OF THE CITY IN AN AGGREGATE  
PRINCIPAL AMOUNT NOT TO EXCEED \$200,000,000 AND PROVIDING  
THE TERMS AND CONDITIONS OF SUCH BONDS  
(FIFTH SUPPLEMENTAL RESOLUTION)**

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## TABLE OF CONTENTS

### Page

#### ARTICLE I AUTHORIZATION OF 2018A BONDS; DEFINITIONS

Section 1.01	Determinations .....	2
Section 1.02	Definitions.....	2

#### ARTICLE II THE 2018A BONDS

Section 2.01	Authorization .....	4
Section 2.02	Terms of the 2018A Bonds .....	4
Section 2.03	Interest.....	5
Section 2.04	Place of Payment.....	5
Section 2.05	Redemption .....	5
Section 2.06	Form of 2018A Bond .....	6
Section 2.07	CUSIP Identification Numbers .....	6
Section 2.08	Book-Entry System .....	6
Section 2.09	Transfers Outside Book-Entry System .....	9
Section 2.10	Payments and Notices to the Nominee .....	9
Section 2.11	Initial Depository and Nominee.....	9

#### ARTICLE III SALE OF 2018A BONDS; APPLICATION; FUNDS; COVENANTS

Section 3.01	Application of the Proceeds of the 2018A Bonds.....	9
Section 3.02	Establishment and Application of 2018A Costs of Issuance Fund .....	9
Section 3.03	Establishment, Pledge, Funding and Application of 2018A Reserve Account.....	10
Section 3.04	Establishment and Application of 2018A Rebate Account .....	11
Section 3.05	Tax Covenants related to the 2018A Bonds.....	12
Section 3.06	Continuing Disclosure .....	14

#### ARTICLE IV FISCAL AGENT

Section 4.01	Fiscal Agent .....	14
Section 4.02	Retention and Dissemination of Available Information .....	14

#### ARTICLE V APPROVAL OF ESCROW AGREEMENT, BOND PURCHASE AGREEMENT, CONTINUING DISCLOSURE CERTIFICATE, OFFICIAL STATEMENT, DESIGNATED INVESTMENTS AND OTHER ACTIONS

Section 5.01	Approval of Escrow Agreement .....	15
Section 5.02	Approval of Bond Purchase Agreement .....	15
Section 5.03	Approval of Continuing Disclosure Certificate .....	15
Section 5.04	Approval of Official Statement.....	15
Section 5.05	Approval of Designated Investments.....	16
Section 5.06	Further Action.....	16

**TABLE OF CONTENTS**  
**(continued)**

**Page**

ARTICLE VI  
MISCELLANEOUS

Section 6.01	2018A Bonds Subject to the Master Resolution .....	16
Section 6.02	Severability of Invalid Provisions .....	17
Section 6.03	Article and Section Headings and References Interpretation .....	17
Section 6.04	Governing Law .....	17
Section 6.05	Effective Date of Fifth Supplemental Resolution .....	17
EXHIBIT A	FORM OF 2018A BOND .....	A-1
EXHIBIT B	FORM OF 2018A CLOSING CERTIFICATE OF THE CITY .....	B-1

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

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE,  
CALIFORNIA, AUTHORIZING THE ISSUANCE OF SEWER REVENUE  
BONDS OF THE CITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT  
TO EXCEED \$200,000,000 AND PROVIDING THE TERMS AND  
CONDITIONS OF SUCH BONDS (FIFTH SUPPLEMENTAL RESOLUTION)**

**WHEREAS**, pursuant to Section 1108 of the City Charter (the “**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. 21860 adopted by the City Council on July 14, 2009 (as amended and supplemented from time to time, the “**Master Resolution**”), the City Council has heretofore authorized the issuance of Sewer Revenue Bonds (the “**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 and Treasury Credits (as defined in the Master Resolution); and

**WHEREAS**, pursuant to Resolution No. 21861 adopted by the City Council on July 14, 2009 (the “**First Supplemental Resolution**”), the City has issued its Sewer Revenue Bonds, Series 2009A (the “**2009A Bonds**”); and

**WHEREAS**, pursuant to Resolution No. 21862 adopted by the City Council on July 14, 2009 (the “**Second Supplemental Resolution**”), the City has issued its Sewer Revenue Bonds, Series 2009B Taxable (Build America Bonds – Direct Payment to Issuer) (the “**2009B Bonds**”); and

**WHEREAS**, pursuant to Resolution No. 22704 adopted by the City Council on June 24, 2014 (the “**Third Supplemental Resolution**”), the City has issued its Variable Rate Sewer Revenue Bonds, Series 2014A (the “**2014A Bonds**”); and

**WHEREAS**, pursuant to Resolution No. 22281 adopted by the City Council on March 17, 2015 (the “**Fourth Supplemental Resolution**”), the City has issued its Sewer Revenue Bonds, Series 2015A (the “**2015A Bonds**”); and

**WHEREAS**, the City desires to refund the 2009B Bonds; and

**WHEREAS**, the City Council has determined to authorize the issuance of the City of Riverside Refunding Sewer Revenue Bonds, Series 2018A (the “**2018A Bonds**”) in an aggregate principal amount not to exceed \$200,000,000 to refund the 2009B Bonds; and

WHEREAS, a public hearing on the 2018A Bonds was duly noticed, held and conducted in accordance with the Law (as defined in the Master Resolution); and

WHEREAS, it is desirable that the City Council provide for the issuance, securing and sale of the 2018A Bonds at this time;

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

## ARTICLE I

### AUTHORIZATION OF 2018A BONDS; DEFINITIONS

**Section 1.01 Determinations.** This Fifth Supplemental Resolution is adopted in accordance with the provisions of the Master Resolution. The City Council hereby determines that the issuance of the 2018A Bonds: (i) to refund all or a portion of the outstanding 2009B Bonds; (ii) to fund a deposit to a reserve account for the 2018A Bonds, if necessary; and (iii) to pay Costs of Issuance is advisable from an economic and financial standpoint.

**Section 1.02 Definitions.** All terms which are defined in Section 1.02 of the Master Resolution shall, unless otherwise defined herein, have the same meanings, respectively, in this Fifth Supplemental Resolution. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Fifth Supplemental Resolution and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and the plural forms of any of the terms herein defined. Unless otherwise defined in this Fifth Supplemental Resolution, all terms used herein shall have the meanings assigned to such terms by the Law.

“Bond Purchase Agreement” means the Bond Purchase Agreement between the City and the Underwriter providing for the purchase of the 2018A Bonds by the Underwriter.

“Closing Certificate of the City” means a Certificate of the Treasurer of the City (or the Treasurer’s designee) delivered at the time of the initial issuance of the 2018A Bonds, substantially in the form of Exhibit B, that among other things, provides certain terms of the 2018A Bonds to be issued pursuant to this Fifth Supplemental Resolution, all as authorized pursuant to the terms hereof.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate executed and delivered by the City in connection with the issuance of the 2018A Bonds.

“Designated Investments” means, with respect to the 2018A Bonds and subject to such further or other parameters as may be specified in the Closing Certificate of the City, the following:

(a) investment agreements, guaranteed investment contracts, funding agreements, or any other form of obligation or corporate note which represents the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed in full by a financial institution which has an unsecured rating, or which agreement is itself rated, as of the date of execution thereof, in one of the two highest Rating Categories by two or more Rating Agencies;

(b) 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, provided that: (i) the overcollateralization is at one hundred three percent or one hundred four percent (103% or 104%), computed weekly, consisting of securities of the types outlined in the California Government Code Section 53601; (ii) a third party custodian, the Fiscal Agent or the Federal Reserve Bank shall have possession of such obligations; (iii) the Fiscal Agent shall have perfected a first priority security interest in such obligations; and (iv) failure to maintain the requisite collateral percentage will require the Fiscal Agent to liquidate the collateral;

(c) forward delivery or forward purchase agreements with underlying securities of the types outlined in the California Government Code 53601;

(d) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California;

(e) any other investments which are rated “AA” or better by the Rating Agencies which the City deems to be prudent investments and are not prohibited by law; and

(f) unsecured certificates of deposit, time deposits and bankers’ acceptance (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated on the date of purchase “A-1+” or better by S&P and “P-1” by Moody’s Investors Service and or certificates of deposit (including those of the Fiscal Agent, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law which are issued by commercial banks, savings and loan associations or mutual savings bank whose short-term obligations are rated on the date of purchase A-1 or better by S&P, Moody’s Investors Service and Fitch.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Agreement” means that Escrow Agreement (2009B Sewer Bonds), by and among the parties named therein related to the refunding of the 2009B Bonds.

“Escrow Fund” means the fund by that name established under the Escrow Agreement related to the refunding the 2009B Bonds.

“Fiscal Agent” means U.S. Bank National Association, the fiscal agent appointed pursuant to Article IV of this Fifth Supplemental Resolution, and any successor appointed in accordance with Article VII of the Master Resolution.

“Fifth Supplemental Resolution” means this resolution of the City Council, and any amendments, modifications or supplements hereto.

“Master Resolution” means Resolution No. 21860 adopted by the City Council on July 14, 2009, as amended and supplemented from time to time, including as amended and supplemented by this Fifth Supplemental Resolution.

“Nominee” means the nominee of the Securities Depository, which may be the Securities Depository, as determined from time to time pursuant hereto.

“Participants” means with respect to DTC or another Securities Depository, a member of or participant in DTC or such other Securities Depository, respectively.

“Record Date” means the close of business on the fifteenth (15th) day of each month preceding an interest payment date.

“Representation Letter” means a representation letter from the City to the Securities Depository as described in Section 2.08(B) hereof.

“Securities Depository” means DTC, or, in accordance with then-current guidelines of the U.S. Securities and Exchange Commission, such other securities depository as the City may designate in a Certificate of the City delivered to the Fiscal Agent.

“Tax Certificate” means the tax certificate concerning certain matters pertaining to the use and investment of proceeds of the 2018A Bonds, executed and delivered by the City on the date of issuance of the 2018A Bonds, as the same may be supplemented or amended, including any and all exhibits attached thereto.

“2018A Bond Reserve Requirement” has the meaning provided in the Closing Certificate of the City.

“2018A Costs of Issuance Fund” means the Refunding Sewer Revenue Bonds, Series 2018A, Costs of Issuance Fund established pursuant to Section 3.02 hereof.

“2018A Rebate Account” means the Refunding Sewer Revenue Bonds, Series 2018A, Rebate Account established pursuant to Section 3.04 hereof.

“2018A Reserve Account” means the Refunding Sewer Revenue Bonds, Series 2018A, Reserve Account established pursuant to Section 3.03 hereof.

“Underwriter” means, collectively, the underwriters of the 2018A Bonds named in the Bond Purchase Agreement.

## **ARTICLE II**

### **THE 2018A BONDS**

**Section 2.01 Authorization.** There is hereby created a Series of Bonds issued pursuant to the Law and under the Master Resolution which Bonds will be designated as the “City of Riverside Refunding Sewer Revenue Bonds, Series 2018A.” The 2018A Bonds shall be Current Interest Bonds. The 2018A Bonds shall be issued in the aggregate principal amount specified in the Closing Certificate of the City, not to exceed \$200,000,000. The principal amounts so specified in the Closing Certificate of the City are hereby incorporated by reference into this Fifth Supplemental Resolution, with the same force and effect as if set forth herein.

**Section 2.02 Terms of the 2018A Bonds.** The 2018A Bonds shall be in registered form only in denominations of \$5,000 or any integral multiples thereof in excess thereof within a maturity, and shall be numbered in such manner as the Fiscal Agent determines. The 2018A Bonds shall be dated such date as shall be specified in the Closing Certificate of the City, shall bear interest from

such dated date at the rates and shall mature on the date or dates and in the principal amount or amounts set forth in the Closing Certificate of the City.

The Closing Certificate of the City shall designate which, if any, of the 2018A Bonds shall be Term Bonds.

The designation of maturities, interest rates and Term Bonds specified in the Closing Certificate of the City are hereby incorporated by reference into this Fifth Supplemental Resolution with the same force and effect as if set forth herein.

**Section 2.03 Interest.** The 2018A Bonds shall bear interest at the rates set forth in the Closing Certificate of the City (calculated on the basis of a 360-day year consisting of twelve 30 day months), initially shall be payable on the date set forth in the Closing Certificate of the City and semiannually thereafter as set forth in the Closing Certificate of the City. Each 2018A Bond shall bear interest from the interest payment date before the date of authentication thereof unless it is authenticated during the period after a Record Date but on or before the next interest payment date, in which event it shall bear interest from that interest payment date, or unless it is authenticated prior to the first Record Date, in which event it shall bear interest from the dated date of the 2018A Bonds specified in the Closing Certificate of the City, or unless at the time of authentication interest is in default, in which event it shall bear interest from the interest payment date to which interest has been paid or provided for.

Each 2018A Bond shall bear interest until the principal sum thereof has been paid; provided, however, that if at the maturity date of any 2018A Bond, or on the redemption date therefor if the same has been duly called for redemption, funds are available for the payment or redemption thereof in full in accordance with the terms of Section 4.06 of the Master Resolution and Article IX of the Master Resolution, such 2018A Bond shall then cease to bear interest.

**Section 2.04 Place of Payment.** The principal of the 2018A Bonds shall be payable in lawful money of the United States of America upon presentation and surrender of such 2018A Bonds at the corporate trust office of the Fiscal Agent in St. Paul, Minnesota. Interest on the 2018A Bonds shall be paid by check mailed by first-class mail to the Persons whose names appear on the registration books of the Fiscal Agent as the registered Owners of such Bonds as of the close of business on the Record Date at such Persons' addresses as they appear on such registration books, except that an Owner of \$1,000,000 or more in principal amount of 2018A Bonds may be paid interest by wire transfer to an account in the United States if such Owner makes a written request of the Fiscal Agent at least thirty (30) days preceding any interest payment date specifying the wire transfer instructions for such Owner. Such notice may provide that it will remain in effect for later interest payments until changed or revoked by another written notice. Payments of defaulted interest shall be paid by check to the Owners as of a special record date to be fixed by the Fiscal Agent, notice of which special record date shall be given to the Owners by the Fiscal Agent not less than ten (10) days prior thereto.

**Section 2.05 Redemption.**

(A) Optional Redemption. The 2018A Bonds are subject to redemption prior to maturity, at the option of the City, on the dates, at the prices and in the amounts set forth in the Closing Certificate of the City.



(B) **Mandatory Sinking Account Payments.** The Outstanding Term Bonds, if any, as set forth in the Closing Certificate of the City, shall be called before maturity and redeemed at a redemption price equal to the principal amount thereof from Mandatory Sinking Account Payments which have been deposited in the Principal Account, in the amounts and upon the dates established for each such maturity, as set forth in the Closing Certificate of the City.

The redemption provisions specified in the Closing Certificate of the City are hereby incorporated by reference into this Fifth Supplemental Resolution with the same force and effect as if set forth herein.

**Section 2.06 Form of 2018A Bond.** The 2018A Bonds shall be issued in substantially the form set forth in Exhibit A, which exhibit is incorporated herein by this reference with the same force and effect as if set forth herein.

**Section 2.07 CUSIP Identification Numbers.** CUSIP identification numbers shall be ordered by the Underwriter and caused by the City to be printed on the 2018A Bonds, but such numbers shall not be deemed a part of the 2018A Bonds or a part of the contract evidenced thereby and no liability shall attach to the City Council or to the City or its officers, employees or agents because or on account of such CUSIP identification numbers.

**Section 2.08 Book-Entry System.**

(A) **General.** The 2018A Bonds initially shall be issued in the form of a separate single fully registered 2018A Bond (which may be typewritten) for each of the maturities of the 2018A Bonds. The City shall cause the delivery of a separate single fully registered bond (which may be typewritten) for each maturity date of such 2018A Bonds in an authorized denomination corresponding to that total principal amount of the 2018A Bonds designated to mature on such date. Upon initial issuance, the ownership of each such 2018A Bond shall be registered in the Bond Register in the name of the Nominee, as nominee of the Securities Depository, and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in subsection (E) below.

With respect to book-entry 2018A Bonds, the City and the Fiscal Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry 2018A Bonds. Without limiting the immediately preceding sentence, the City and the Fiscal Agent shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Securities Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry 2018A Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book-entry 2018A Bonds, including any notice of redemption; (iii) the selection by the Securities Depository and its Participants of the beneficial interests in book-entry 2018A Bonds to be redeemed in the event that the City redeems the 2018A Bonds in part; or (iv) the payment by the Securities Depository or any Participant or any other person of any amount of principal of, premium, if any, or interest on book-entry 2018A Bonds. The City and the Fiscal Agent may treat and consider the person in whose name each book-entry 2018A Bond is registered in the Bond Register as the absolute Owner of such book-entry 2018A Bond for the purpose of payment of principal of, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Fiscal Agent shall pay all principal of, premium, if any, and interest on the Bonds

only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on the Bonds. Upon delivery by the Securities Depository to the City and the Fiscal Agent of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in the Indenture shall refer to such nominee of the Securities Depository.

(B) Delivery of Representation Letter. In order to qualify the book-entry 2018A Bonds for the Securities Depository's book-entry system, the City shall execute and deliver to the Securities Depository a Representation Letter. The execution and delivery of a Representation Letter shall not in any way impose upon the City or the Fiscal Agent any obligation whatsoever with respect to persons having interests in such book-entry 2018A Bonds other than the Owners, as shown on the Bond Register. In addition to the execution and delivery of a Representation Letter, the City and the Fiscal Agent, if necessary, shall take such other actions, not inconsistent with the Indenture, as are reasonably necessary to qualify book-entry 2018A Bonds for the Depository's book-entry program.

(C) Selection of Securities Depository. In the event that: (i) the Securities Depository determines not to continue to act as securities depository for book-entry 2018A Bonds; or (ii) the City determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the 2018A Bonds or the City, then the City will discontinue the book-entry system with the Securities Depository. If the City determines to replace the Securities Depository with another qualified securities depository, the City shall prepare or direct the preparation of a new single, separate, fully registered 2018A Bond for each of the maturity dates of such book-entry 2018A Bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (e) below. If the City fails to identify another qualified securities depository to replace the Securities Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Section 2.09 hereof.

(D) Payments To Securities Depository. Notwithstanding any other provision of this Fifth Supplemental Resolution or the Master Resolution to the contrary, so long as all Outstanding 2018A Bonds are held in book-entry form and registered in the name of the Nominee, all payments of principal of, redemption premium, if any, and interest on such 2018A Bonds and all notices with respect to such 2018A Bonds shall be made and given, respectively to the Nominee, as provided in the Representation Letter or as otherwise instructed by the Securities Depository and agreed to by the Fiscal Agent notwithstanding any inconsistent provisions herein.

(E) Transfer of 2018A Bonds to Substitute Depository.

(i) The 2018A Bonds shall be initially issued as provided in Section 2.01. Registered ownership of such 2018A Bonds, or any portions thereof, may not thereafter be transferred except:

(A) to any successor of the Securities Depository or its Nominee, or of any substitute depository designated pursuant to clause (b) below (a “**Substitute Depository**”); provided that any successor of the Securities Depository or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(B) to any Substitute Depository, upon: (1) the resignation of the Securities Depository or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the City that the Securities Depository (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

(C) to any person as provided below, upon: (1) the resignation of the Securities Depository or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the City that the Securities Depository or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(ii) In the case of any transfer pursuant to clauses (a) or (b) of subsection (i) of this Section 2.08(E), upon receipt of all Outstanding 2018A Bonds by the Fiscal Agent, together with a written request of the City to the Fiscal Agent designating the Substitute Depository, a single new 2018A Bond, which the City shall prepare or cause to be prepared, shall be issued for each maturity of 2018A Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the City. In the case of any transfer pursuant to clause (c) of subsection (i) of this Section 2.08(E), upon receipt of all Outstanding 2018A Bonds by the Fiscal Agent, together with a written request of the City to the Fiscal Agent, new 2018A Bonds, which the City shall prepare or cause to be prepared, shall be issued in such denominations and registered in the names of such persons as are requested in such written request of the City, subject to the limitations of Section 2.01 hereof, provided that the Fiscal Agent shall not be required to deliver such new 2018A Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the City.

(iii) In the case of a partial redemption or an advance refunding of any 2018A Bonds evidencing a portion of the principal maturing in a particular year, the Securities Depository or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such 2018A Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Fiscal Agent, all in accordance with the Representation Letter. The Fiscal Agent shall not be liable for such Securities Depository’s failure to make such notations or errors in making such notations and the records of the Fiscal Agent as to the outstanding principal amount of such 2018A Bonds shall be controlling.

(iv) The City and the Fiscal Agent shall be entitled to treat the person in whose name any 2018A Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the City or the Fiscal Agent; and the City and the Fiscal Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the 2018A Bonds. Neither the City nor the Fiscal Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including the Securities Depository or its successor (or Substitute Depository or its successor), except to the Owner of any 2018A Bonds,

and the Fiscal Agent may rely conclusively on its records as to the identity of the Owners of the 2018A Bonds.

**Section 2.09 Transfers Outside Book-Entry System.** In the event that: (i) the Securities Depository determines not to continue to act as securities depository for the 2018A Bonds; or (ii) the City determines that the Securities Depository shall no longer so act and delivers a written certificate to the Fiscal Agent to that effect, then the City will discontinue the book-entry system with the Securities Depository. Thereafter, any Bond may, in accordance with its terms, be transferred or exchanged in accordance with Sections 2.05 and 2.06, respectively, of the Master Resolution.

**Section 2.10 Payments and Notices to the Nominee.** Notwithstanding any other provision of this Fifth Supplemental Resolution to the contrary, so long as any 2018A Bond is registered in the name of the Nominee, all payments with respect to principal of and interest on such 2018A Bond and all notices with respect to such 2018A Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Securities Depository.

**Section 2.11 Initial Depository and Nominee.** The initial Securities Depository under this Fifth Supplemental Resolution shall be DTC. The initial Nominee shall be Cede & Co., as Nominee of DTC.

### ARTICLE III

#### SALE OF 2018A BONDS; APPLICATION; FUNDS; COVENANTS

**Section 3.01 Application of the Proceeds of the 2018A Bonds.** Unless otherwise specified in a Certificate of the Treasurer, the proceeds of the sale of the 2018A Bonds shall be deposited with the Treasurer and shall be held in trust and set aside by the Treasurer or the Fiscal Agent as set forth in the Closing Certificate of the City. The Treasurer and the Fiscal Agent are hereby authorized to create additional accounts or subaccounts to accomplish the purposes set forth in this Fifth Supplemental Resolution.

**Section 3.02 Establishment and Application of 2018A Costs of Issuance Fund.**

(A) Pursuant to this Fifth Supplemental Resolution, the Fiscal Agent shall establish, maintain and hold in trust a single and separate fund designated as the “**Refunding Sewer Revenue Bonds, Series 2018A, Costs of Issuance Fund.**”

The moneys in the 2018A Costs of Issuance Fund shall be used and withdrawn by the Fiscal Agent, at the direction of the Treasurer, to pay the Costs of Issuance of the 2018A Bonds. All investment earnings on funds held in the 2018A Costs of Issuance Fund shall be deposited in the 2018A Costs of Issuance Fund unless such earnings shall be required to be deposited in the 2018A Rebate Account.

(B) Disbursements shall be made from the 2018A Costs of Issuance Fund only upon receipt by the Fiscal Agent of a duly executed Requisition of the City (upon which the Fiscal Agent may conclusively rely), which Requisition shall state: (i) the item number of such payment; (ii) the name and address of the Person to whom each such payment is due, which may be the City in the case of reimbursement for costs theretofore paid by the City; (iii) the respective amounts to be paid; and (iv) the purpose by general classification for which each obligation to be paid was incurred.

(C) The money set aside and placed in the 2018A Costs of Issuance Fund shall remain therein until the six month anniversary of the issuance of the 2018A Bonds and shall not be used for any other purpose whatsoever except as permitted by the Law. If any sum shall remain unexpended after the six month anniversary of the issuance of the 2018A Bonds, it shall, at the direction of the Treasurer, be: (1) applied by the Fiscal Agent to the payment of interest on the 2018A Bonds on the next succeeding interest payment date therefor; or (2) applied for any lawful purposes with respect to the Sewer System upon such terms and conditions as shall not, in the opinion of Bond Counsel, adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2018A Bonds.

**Section 3.03 Establishment, Pledge, Funding and Application of 2018A Reserve Account.**

(A) Pursuant to this Fifth Supplemental Resolution, the Fiscal Agent shall establish, maintain and hold in trust a single and separate fund designated as the “**Refunding Sewer Revenue Bonds, Series 2018A, Reserve Account.**”

The 2018A Reserve Account shall be funded at the 2018A Bond Reserve Requirement and applied as set forth below. The 2018A Reserve Account is hereby pledged to secure the payment of the principal of and interest on the 2018A Bonds in accordance with their terms.

(B) On the date of initial issuance of the 2018A Bonds, the Fiscal Agent shall deposit to the 2018A Reserve Account an amount provided by or on behalf of the City, which may be in money, Authorized Investments, a line of credit, letter of credit, insurance policy, surety bond or other credit source meeting the requirements of Section 3.03(E) hereof, or a combination thereof, equal to the 2018A Bond Reserve Requirement. The City shall at all times maintain an amount equal to the 2018A Bond Reserve Requirement in the 2018A Reserve Account until the 2018A Bonds are discharged in accordance with the provisions of Article IX of the Master Resolution. In the event of any deficiency in the 2018A Reserve Account, the Treasurer shall replenish such deficiency in accordance with the provisions of Section 5.06 of the Master Resolution.

(C) All amounts in the 2018A Reserve Account shall be used and withdrawn by the Fiscal Agent, as hereinafter provided, solely for the purpose of: (i) paying principal of and interest on the 2018A Bonds in the event that moneys in the Principal Account and the Interest Account are insufficient; or (ii) for the payment of the final principal and interest payments on the 2018A Bonds. Any amounts in the 2018A Reserve Account in excess of the 2018A Bond Reserve Requirement (as certified by the City to the Fiscal Agent) shall be transferred to an account with the Fiscal Agent to be applied towards payment of interest and principal due on the 2018A Bonds.

(D) All Authorized Investments credited to the 2018A Reserve Account shall be valued as of July 1 of each year (or the next succeeding Business Day if such day is not a Business Day) at the greater of the cost or accreted value thereof.

(E) Notwithstanding anything herein to the contrary, at the option of the City, the 2018A Bond Reserve Requirement may be satisfied, in whole or in part, by the deposit of a line of credit, letter of credit, insurance policy, surety bond, or other credit source in a stated amount equal to all or a portion of the 2018A Bond Reserve Requirement; provided, that if the 2018A Bond Reserve Requirement is initially satisfied with a cash deposit, then prior to the substitution, in whole or in part, of such line of credit, letter of credit, insurance policy, surety bond or other credit source,

the Rating Agencies shall be notified of such proposed substitution and the substitution shall not result in a withdrawal or downgrading of any rating of the 2018A Bonds then in effect by the Rating Agencies. Any moneys substituted by the deposit of a line of credit, letter of credit, insurance policy, surety bond, or other credit source shall be transferred, at the election of the Treasurer, to the 2018A Costs of Issuance Fund, to the Bond Service Account or to a special account to be established for the payment of any fees in connection with obtaining such line of credit, letter of credit, insurance policy, surety bond or other credit source or shall be applied for such other lawful purpose as shall not, in the opinion of Bond Counsel, adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2018A Bonds.

### **Section 3.04 Establishment and Application of 2018A Rebate Account.**

(A) Establishment. Pursuant to this Fifth Supplemental Resolution, the Fiscal Agent shall establish when required, maintain and hold in trust a separate account designated as the “**Refunding Sewer Revenue Bonds, Issue of 2018A, Rebate Account.**” Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the 2018A Bonds will not be adversely affected, the City shall cause to be deposited in the 2018A Rebate Account such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the 2018A Rebate Account shall be held by the Fiscal Agent in trust for payment to the United States Treasury. All amounts on deposit in the 2018A Rebate Account for the 2018A Bonds shall be governed by this Section and the Tax Certificate for the 2018A Bonds, unless and to the extent that the City delivers to the Fiscal Agent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the 2018A Bonds will not be adversely affected, if such requirements are not satisfied. Notwithstanding anything to the contrary herein or in the Tax Certificate, the Fiscal Agent: (i) shall be deemed conclusively to have complied with the provisions thereof if it follows all Requests of the City; (ii) shall have no liability or responsibility to enforce compliance by the City with the terms of the Tax Certificate; (iii) may rely conclusively on the City’s calculations and determinations and certifications relating to rebate matters; and (iv) shall have no responsibility to independently make any calculations or determinations or to review the City’s calculations or determinations thereunder.

(i) Annual Computation. Within 55 days of the end of each Bond Year (as such term is defined in the Tax Certificate), the City shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (*e.g.*, the temporary investments exceptions of Section 148(f)(4)(B) and the construction expenditures exception of Section 148(f)(4)(C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the “**1½% Penalty**”) has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “**Rebatable Arbitrage**”). The City shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(i) Annual Transfer. Within 55 days of the end of each Bond Year, upon the written Request of the City, an amount shall be deposited to the 2018A Rebate Account by the Fiscal Agent from any Net Operating Revenues legally available for such purpose (as specified by the City in the aforesaid written Request), if and to the extent required so that the balance in the 2018A Rebate Account shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this subsection (A). In the event that immediately following the transfer required

by the previous sentence, the amount then on deposit to the credit of the 2018A Rebate Account exceeds the amount required to be on deposit therein, upon written Request of the City, the Fiscal Agent shall withdraw the excess from the 2018A Rebate Account and then credit the excess to the Bond Service Account.

(ii) Payment to the Treasury. The Fiscal Agent shall pay, as directed by Request of the City, to the United States Treasury, out of amounts in the 2018A Rebate Account:

(A) Not later than 60 days after the end of: (X) the fifth Bond Year; and (Y) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(B) Not later than 60 days after the payment of all of the 2018A Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the 2018A Rebate Account, the amount in the 2018A Rebate Account is not sufficient to make such payment when such payment is due, the City shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (A) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T (prepared by the City), or shall be made in such other manner as provided under the Code.

(B) Disposition of Unexpended Funds. Any funds remaining in the 2018A Rebate Account after redemption and payment of the 2018A Bonds and the payments described in subsection (A) above being made may be withdrawn by the City and utilized in any manner by the City.

(C) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the 2018A Bonds.

**Section 3.05 Tax Covenants related to the 2018A Bonds.** Notwithstanding any other provision of this Fifth Supplemental Resolution or the Master Resolution, absent an opinion of Bond Counsel that the exclusion from gross income of the interest on the 2018A Bonds will not be adversely affected for federal income tax purposes, the City covenants to comply with all applicable requirements of the Code that are necessary to preserve such exclusion from gross income with respect to the 2018A Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(A) Private Activity. The City will take no action or refrain from taking any action, and the City will make no use of the proceeds of the 2018A Bonds or of any other moneys or property, which would cause the 2018A Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(B) Arbitrage. The City will make no use of the proceeds of the 2018A Bonds or of any other amounts or property, regardless of the source, and the City will not take any action or refrain from taking any action, which will cause the 2018A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(C) Federal Guarantee. The City will make no use of the proceeds of the 2018A Bonds, and the City will not take or omit to take any action, that would cause the 2018A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(D) Information Reporting. The City will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code which is necessary to preserve the exclusion of interest on the 2018A Bonds pursuant to Section 103(a) of the Code;

(E) Hedge Bonds. The City will make no use of the proceeds of the 2018A Bonds or any other amounts or property, regardless of the source, and the City will not take any action or refrain from taking any action, that would cause the 2018A Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the City takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the 2018A Bonds for federal income tax purposes; and

(F) Miscellaneous. The City will not take any action or refrain from taking any action which is inconsistent with its expectations stated in the Tax Certificate executed by the City in connection with the issuance of the 2018A Bonds and will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

(G) No Effect on Taxable Bonds. This Section and the covenants that are set forth herein shall not be applicable to, and nothing that is contained herein shall be deemed to prevent the City from issuing revenue bonds or executing and delivering contracts that are payable on a parity with the 2018A Bonds, the interest with respect to which has been determined to be subject to federal income taxation.

(H) Elections. The City hereby directs and authorizes the Treasurer (or any duly authorized designee thereof) to make elections permitted or required pursuant to the provisions of the Code or the Treasury Regulations, as the Treasurer or such designee (after consultation with Bond Counsel) deems necessary or appropriate in connection with the 2018A Bonds, in the Tax Certificate relating to the 2018A Bonds, or similar or other appropriate certificate, form or document.

(I) Tax Certificate. The City covenants that in connection with the delivery of the 2018A Bonds it will execute and deliver the Tax Certificate, in such form and substance as is provided and accepted by Bond Counsel. All representations, warranties and covenants made by the City in the Tax Certificate, as the same may be amended or supplemented in accordance with its terms, are incorporated into and made a part of this Fifth Supplemental Resolution as though the same had been fully set forth herein.

Notwithstanding any other provisions of the Master Resolution (including this Fifth Supplemental Resolution) to the contrary, upon the City’s failure to observe, or refusal to comply with, any of the foregoing covenants in this Section 3.05, no Person other than the Owners of the 2018A Bonds shall be entitled to exercise any right or remedy provided to the Owners under the



Master Resolution (including this Fifth Supplemental Resolution) on the basis of the City's failure to observe, or refusal to comply with, such covenant.

**Section 3.06 Continuing Disclosure.** The City hereby covenants and agrees that it will comply with and carry out all of its obligations under the Continuing Disclosure Certificate to be delivered by the City in connection with the issuance of the 2018A Bonds. Notwithstanding any other provision of the Master Resolution (including this Fifth Supplemental Resolution), failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default under the Master Resolution (including this Fifth Supplemental Resolution).

## **ARTICLE IV**

### **FISCAL AGENT**

**Section 4.01 Fiscal Agent.** The Treasurer (or the Treasurer's designee) is hereby authorized, empowered and directed to appoint a Fiscal Agent with respect to the 2018A Bonds. The Fiscal Agent shall signify its acceptance of the duties and obligations hereunder by executing and delivering to the City a written acceptance in which the Fiscal Agent agrees to perform said duties and obligations as set forth in the Master Resolution and this Fifth Supplemental Resolution.

The City agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities it may incur in the exercise and performance of its powers and duties under the Master Resolution and this Fifth Supplemental Resolution which are not due to its negligence or willful misconduct.

The City acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish with the City periodic transaction statements which include detail for all investment transactions made by the Fiscal Agent hereunder; provided that the Fiscal Agent is not obligated to provide an accounting for any fund or account that (a) has a balance of \$0.00 and (b) has not had any activity since the last reporting date.

The obligation of the City under this Section shall survive resignation or removal of the Fiscal Agent under this Fifth Supplemental Resolution and payment of the 2018A Bonds and discharge of this Fifth Supplemental Resolution.

**Section 4.02 Retention and Dissemination of Available Information.** The Fiscal Agent for the 2018A Bonds shall retain in its possession all reports, certificates and other documents received by it with respect to the 2018A Bonds, all of which shall be subject at all reasonable times during regular business hours with reasonable prior notice to inspection by the City, the Securities Depository with respect to the 2018A Bonds and any other Person that the City reasonably determines to be a beneficial owner of 2018A Bonds held by such Securities Depository, and the agents and representatives of any thereof. Upon receipt by the Fiscal Agent of a written request of any Person described in the immediately preceding sentence, the Fiscal Agent shall provide to such Person a copy of any such report, certificate or other document, provided that such Person shall bear the direct cost of reproduction and delivery thereof. The Fiscal Agent shall, at the cost of and at the written instruction of the City, disseminate all material written information received by the Fiscal Agent pursuant to the Master Resolution (including this Fifth Supplemental Resolution), to one or

more officially recognized central information facilities or repositories with respect to information regarding obligations similar to the 2018A Bonds specified to the Fiscal Agent by the City.

## **ARTICLE V**

### **APPROVAL OF ESCROW AGREEMENT, BOND PURCHASE AGREEMENT, CONTINUING DISCLOSURE CERTIFICATE, OFFICIAL STATEMENT, DESIGNATED INVESTMENTS AND OTHER ACTIONS**

**Section 5.01 Approval of Escrow Agreement.** The Treasurer (or any duly authorized designee thereof) is authorized, empowered and directed to execute and deliver the Escrow 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 5.02 Approval of Bond Purchase Agreement.** The Treasurer (or the Treasurer's designee) is hereby authorized, empowered and directed to execute and deliver the Bond Purchase Agreement in substantially the form submitted to this meeting and on file with the City Clerk, with such changes therein as such officer shall deem appropriate, as conclusively evidenced by his or her execution thereof; provided, however, that in no event shall: (i) the 2018A Bonds have an all-in true interest cost in excess of 5.00%; (ii) the final maturity of the 2018A Bonds be later than August 1, 2039; or (iii) the aggregate principal amount of the 2018A Bonds exceed \$200,000,000.

Subject to the conditions set forth in this Section 5.02, the 2018A Bonds are hereby ordered to be sold pursuant to the Bond Purchase Agreement at a discount not to exceed 0.25% (not including original issue discount, if any) of the aggregate principal amount of the 2018A Bonds in accordance with the provisions of the Bond Purchase Agreement. The City hereby approves and authorizes the underwriters named in the Bond Purchase Agreement to serve as the Underwriter, all as further provided in the Bond Purchase Agreement.

**Section 5.03 Approval of Continuing Disclosure Certificate.** The Treasurer (or any duly authorized designee thereof) hereby is authorized, empowered and directed to execute and deliver the Continuing Disclosure Certificate in substantially the form presented to this meeting and on file with the City Clerk, with such changes therein as such officer shall deem appropriate, as conclusively evidenced by his or her execution thereof.

**Section 5.04 Approval of Official Statement.** The preparation of a preliminary official statement with respect to the 2018A Bonds (the "**Preliminary Official Statement**") is hereby authorized and approved. The Underwriter is hereby authorized to distribute the Preliminary Official Statement (in printed form and/or by posting electronically) in connection with the sale of the 2018A Bonds. Prior to the distribution of the Preliminary Official Statement, the Treasurer (or any duly authorized designee thereof) and the Deputy Treasurer are hereby authorized, empowered and directed to deem the Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, such action to be conclusively evidenced by distribution of the Preliminary Official Statement. The Treasurer and the City Manager of the City (or any duly authorized designee of either of such officers) hereby are authorized, empowered and directed, collectively, to execute a final official statement (the "**Official Statement**") in substantially the form of the Preliminary Official Statement presented to this meeting and on file with the City Clerk, with such changes therein as such officers shall deem appropriate, as conclusively evidenced by their

collective execution thereof. The Underwriter is hereby authorized to distribute the Official Statement.

**Section 5.05 Approval of Designated Investments.** The Treasurer (or any duly authorized designee thereof) hereby is authorized, empowered and directed on behalf of the City to enter into one or more investment agreements meeting the qualifications for “Designated Investments” as defined in Section 1.02 of this Fifth Supplemental Resolution providing for the investment of moneys in any of the funds and accounts created under this Fifth Supplemental Resolution, on such terms as such officer shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the City Council hereby finds and determines that such Designated Investments are designed to reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Designated Investments and to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the 2018A Bonds or enhance the relationship between risk and return with respect to investments.

**Section 5.06 Further Action.** The City Manager, the Treasurer, the Deputy Treasurer, the Chief Financial Officer and the Assistant Chief Financial Officer of the City (or any duly authorized designee of any of such officers) each of them is hereby authorized, empowered and directed to execute such other documents in addition to those enumerated herein and take such other actions as they deem necessary or advisable in order to carry out and perform the purposes of this Fifth Supplemental Resolution, the Escrow Agreement, the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Preliminary Official Statement and the Official Statement (including, but not limited to, (i) executing such documents or taking such actions as may be necessary to arrange for the funding of all or a portion of the 2018A Reserve Account with a line of credit, letter of credit, insurance policy, surety bond or other credit source pursuant to the terms hereof, if, in the opinion of the Treasurer, funding of the 2018A Reserve Account with a line of credit, letter of credit, insurance policy, surety bond or other credit source will be economically beneficial to the City and the 2018A Reserve Account is to be funded as appropriate; (ii) executing such documents or taking such actions as may be necessary to arrange for the insuring of all or any portion of the 2018A Bonds through one or more municipal bond insurance companies, if, in the opinion of the Treasurer, such insurance will result in a lower true interest cost to the City; and (iii) otherwise revising, supplementing or clarifying the provisions of this Fifth Supplemental Resolution as the Treasurer may deem advisable; and in connection with any of the foregoing, any additional provisions of and/or revisions to this Fifth Supplemental Resolution shall be included in the Closing Certificate of the City). Such actions heretofore taken by such officers or their designees are hereby ratified, confirmed and approved.

## **ARTICLE VI**

### **MISCELLANEOUS**

**Section 6.01 2018A Bonds Subject to the Master Resolution.** Except as expressly provided in this Fifth Supplemental Resolution, every term and condition contained in the Master Resolution, as supplemented to date, shall apply to this Fifth Supplemental Resolution and to the 2018A Bonds with the same force and effect as if it were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Fifth Supplemental Resolution.

**Section 6.02 Severability of Invalid Provisions.** If any one or more of the provisions contained in this Fifth Supplemental Resolution or in the 2018A Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Fifth Supplemental Resolution and such invalidity, illegality or unenforceability shall not affect any other provision of this Fifth Supplemental Resolution, and this Fifth Supplemental Resolution shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. The City Council hereby declares that it would have adopted this Fifth Supplemental Resolution and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the 2018A Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Fifth Supplemental Resolution may be held illegal, invalid or unenforceable.

**Section 6.03 Article and Section Headings and References Interpretation.** The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Fifth Supplemental Resolution.

All references herein to “Article,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Fifth Supplemental Resolution; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Fifth Supplemental Resolution as a whole and not to any particular Article, Section or subdivision hereof. Words of the masculine gender shall mean and include words of the feminine and neuter genders.

**Section 6.04 Governing Law.** This Fifth Supplemental Resolution shall be construed and governed in accordance with the laws of the State of California.

**Section 6.05 Effective Date of Fifth Supplemental Resolution.** This Fifth Supplemental Resolution shall take effect upon the approval of a majority of the members of the City Council, all as provided in the Law.

ADOPTED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

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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 adopted by the City Council of said City at its meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2018, 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 \_\_\_\_ day of \_\_\_\_\_, 2018.

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COLLEEN J. NICOL  
City Clerk of the City of Riverside

**EXHIBIT A**  
**FORM OF 2018A BOND**

No. R-

\$\_\_\_\_\_

UNITED STATES OF AMERICA  
CITY OF RIVERSIDE, CALIFORNIA  
REFUNDING SEWER REVENUE BONDS, SERIES 2018A

UNLESS THIS 2018A BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY 2018A BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

<u>MATURITY DATE</u>	<u>ISSUE DATE</u>	<u>INTEREST RATE</u>	<u>CUSIP NO.</u>
August 1, 20__	December __, 2018	%	

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 set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) on such principal amount from the interest payment date before the date of authentication hereof (unless this 2018A Bond is authenticated during the period after a record date but on or before the next interest payment date, in which event this 2018A Bond shall bear interest from that interest payment date, or unless this 2018A Bond is authenticated prior to the first record date, in which event this 2018A Bond shall bear interest from the dated date of the 2018A Bonds, or unless at the time of authentication interest is in default, in which event it shall bear interest from the interest payment date to which interest has been paid or provided for), payable on \_\_ 1, 20\_\_ and semiannually thereafter on February 1 and August 1 of each year, at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of and premium, if any, on this 2018A Bond are payable to the registered owner hereof in lawful money of the United States of America upon presentation and surrender of this 2018A Bond at the corporate trust office of U.S. Bank National Association in St. Paul, Minnesota (the "Fiscal Agent") or such other location as

may be designated by the Fiscal Agent. Interest on this 2018A Bond shall be paid by check of the Fiscal Agent mailed to the registered owner hereof as of the close of business on the fifteenth (15th) day of the month preceding an interest payment date (a "record date") at such registered owner's address as it appears on the registration books maintained by the Fiscal Agent, except that a registered owner of \$1,000,000 or more in principal amount of the 2018A Bonds may be paid interest by wire transfer to an account in the United States if such registered owner makes a written request of the Fiscal Agent at least 30 days preceding any interest payment date specifying the account address. Such notice may provide that it will remain in effect for later interest payments until changed or revoked by another written notice.

This 2018A Bond is one of a duly authorized issue of "City of Riverside Refunding Sewer Revenue Bonds, Series 2018A" (the "2018A Bonds") issued in the aggregate principal amount of \$\_\_\_\_\_ pursuant to the Law (as defined in the hereinafter defined Resolution), Resolution No. 21860 adopted by the City Council on July 14, 2009, as amended and supplemented (the "Master Resolution") and Resolution No. \_\_\_\_\_ adopted by the City Council on [October 23, 2018] (the "Fifth Supplemental Resolution"); the Master Resolution, as supplemented to date, including by the Fifth Supplemental Resolution, is referred to herein as the "Resolution." The 2018A Bonds, together with the City's Outstanding Sewer Revenue Bonds and any additional Sewer Revenue Bonds issued pursuant to the Master Resolution, are herein referred to as the "Bonds." Reference is hereby made to the Master Resolution, the Fifth Supplemental Resolution and to the Law for a description of the terms on which the 2018A 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 2018A Bond, and by acceptance hereof the registered owner of this 2018A Bond assents to said terms and conditions. The Resolution is adopted under, and this 2018A Bond is issued under, and all are to be construed in accordance with, the laws of the State of California. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

The 2018A 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 the State Loans (as such term is defined in the Resolution), 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 2018A 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 2018A 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 2018A 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 2018A Bonds, interest thereon and any premium upon redemption.

This 2018A Bond is subject to redemption prior to maturity as provided in the Resolution, including the Fifth Supplemental Resolution.

This 2018A Bond may be transferred upon the register required to be kept by the Fiscal Agent, by the person in whose name it is registered, in person or by his or her duly authorized

attorney, upon surrender of this 2018A Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Fiscal Agent. Whenever any 2018A Bond is surrendered for transfer, the City shall execute and the Fiscal Agent shall authenticate and deliver a new 2018A Bond or Bonds, of the same tenor and maturity and for a like aggregate principal amount. This 2018A Bond may be exchanged at the corporate trust office of the Fiscal Agent for 2018A Bonds of authorized denominations having the same aggregate principal amount, tenor and maturity. The Fiscal Agent need not transfer the registration of or exchange any 2018A Bond within 15 days before the date of selection of 2018A Bonds for redemption or any 2018A Bond or portion thereof selected for redemption. The Fiscal Agent may require the owner of any 2018A Bond requesting transfer of registration or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer of registration or exchange.

The rights and obligations of the City, the Fiscal Agent and of the registered owners of the 2018A 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 2018A 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 2018A 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.

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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 2018A 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 2018A 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 2018A 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 executed and dated by the Fiscal Agent.



IN WITNESS WHEREOF, said City of Riverside has caused this 2018A 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.

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Treasurer of the City of Riverside, California

Attest:

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City Clerk of the City of Riverside, California

## **FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This 2018A Bond is one of the 2018A Bonds delivered pursuant to the within mentioned Master Resolution and Fifth Supplemental Resolution. This 2018A 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: December \_\_, 2018

**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.

**EXHIBIT B**

**FORM OF 2018A CLOSING CERTIFICATE OF THE CITY**

\$\_\_\_\_\_

**CITY OF RIVERSIDE  
REFUNDING SEWER REVENUE BONDS  
SERIES 2018A**

**CLOSING CERTIFICATE OF THE CITY  
PURSUANT TO RESOLUTION NO.**

The undersigned Treasurer of the City of Riverside, California (the "City"), pursuant to Resolution No. \_\_\_\_ adopted by the City Council on [October 23, 2018] (the "Fifth Supplemental Resolution"), HEREBY CERTIFIES THAT:

**1. Terms of the 2018A Bonds.**

(A) 2018A Bonds. City of Riverside Sewer Revenue Bonds, Series 2018A (the "2018A Bonds") shall be issued in the aggregate principal amount of \$\_\_\_\_, shall be dated the date of delivery thereof, and shall bear interest at the rates per annum and mature on the dates and in the amounts as set forth below:

<i><b>Maturity Date (August 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>	<i><b>Maturity Date (August 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>
20__	\$	%	20__	\$	%

The 2018A Bonds, maturing on August 1, 20\_\_ through August 1, 20\_\_, inclusive, are designated Serial Bonds. The 2018A Bonds, maturing on August 1, 20\_\_ and August 1, 20\_\_ are designated Term Bonds.

(B) Additional Information.

Interest on the 2018A Bonds shall be payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing \_\_\_\_\_ 1, 2019.

"2018A Bond Reserve Requirement" shall mean \$\_\_\_\_\_.

**2. Execution of the 2018A Bonds.** The 2018A Bonds shall be executed in the name and on behalf of the City with the facsimile or manual signature of the Treasurer, under seal attested by the facsimile or manual signature of the City Clerk. Such seal may be in the form of a facsimile of the City's seal and may be reproduced, imprinted or impressed on the 2018A Bonds.

**3. Redemption Provisions.**

A. Optional Redemption. The 2018A Bonds maturing on and after August 1, 20\_\_ are subject to redemption prior to their stated maturity dates, at the option of the City, from any source of available funds, as a whole or in part, on any date on August 1, 20\_\_ and any date thereafter, at a redemption price equal to 100% of the principal amount of the 2018A Bonds to be redeemed, without premium, plus accrued interest to the date fixed for redemption.

B. Mandatory Sinking Account Redemption. The 2018A Bonds maturing on August 1, 20\_\_, are subject to mandatory sinking account redemption, in part, on August 1, 20\_\_, and on each August 1 thereafter, at a redemption price equal to 100% of the principal amount of such 2018A Bonds to be redeemed, from Mandatory Sinking Account Payments required to be deposited in the Principal Account in the Bond Service Account of the Sewer Revenue Fund, plus accrued interest thereon to the date of redemption, in the principal amounts set forth in the following table, without premium:

**Term 2018A Bonds Maturing August 1, 20\_\_**

<i>Redemption Date</i> <i>(August 1)</i>	<i>Principal</i> <i>Amount</i>
	\$

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**Term 2018A Bonds Maturing August 1, 20\_\_**

<i>Redemption Date</i> <i>(August 1)</i>	<i>Principal</i> <i>Amount</i>
	\$

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† Maturity

Mandatory Sinking Account Payments for Term Bonds of any maturity shall be reduced to the extent the City has purchased Term Bonds of that maturity and surrendered such Term Bonds to the Fiscal Agent for cancellation. If Term Bonds of any maturity have been redeemed as provided for under the caption "Optional Redemption" above, then the amount of the Term Bonds so redeemed shall be credited to such future Mandatory Sinking Account Payments for such Term Bonds, as nearly as practicable, pro rata or as otherwise provided by the City (after consultation with Bond Counsel) in a Certificate of the City delivered to the Fiscal Agent on or before the date of such optional redemption of Term Bonds.

With respect to any notice of optional redemption of 2018A Bonds given pursuant to Section 4.05 of the Resolution, such notice may state that such redemption shall be conditional upon the receipt by the Fiscal Agent on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such 2018A Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Fiscal Agent shall not be required to redeem such 2018A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Fiscal Agent shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

**4. Application of Proceeds.** The proceeds of the sale of the 2018A Bonds shall be applied as follows:

(A) [The Fiscal Agent shall deposit in the 2018A Reserve Account the amount of \$\_\_\_\_\_, representing the 2018A Bond Reserve Requirement;]

(B) The Fiscal Agent shall transfer to U.S. Bank National Association, as fiscal agent for the 2009B Bonds, for deposit in the Escrow Fund, the amount of \$\_\_\_\_\_, to be applied as provided in the Fifth Supplemental Resolution and the Escrow Agreement;

(C) The Fiscal Agent shall deposit in the 2018A Costs of Issuance Fund the amount of \$\_\_\_\_\_, representing the estimated Costs of Issuance of the 2018A Bonds.

Capitalized terms that are used herein not otherwise defined have the meanings ascribed thereto in Resolution No. 21860 adopted by the City Council of the City on July 14, 2009, as amended and supplemented, including as supplemented by the Fifth Supplemental Resolution. In accordance with the Fifth Supplemental Resolution, the terms of this Closing Certificate of the City are incorporated by reference into the Fifth Supplemental Resolution with the same force and effect as if set forth therein.

Dated: \_\_\_\_\_, 2018

CITY OF RIVERSIDE

\_\_\_\_\_  
Treasurer