

RESOLUTION NO. _____

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

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

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

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

WHEREAS, the City, acting pursuant to the provisions of Sections 860 et seq. of the California Code of Civil Procedure and Government Code Sections 53511 and 53589.5, filed a complaint in the Superior Court of the State of California for the County of Riverside seeking judicial validation of the proceedings and transactions relating to the issuance of bonds to refund from time to time all or a portion of the City's then outstanding Pension Obligation; and

WHEREAS, on May 3, 2004, the court entered a default judgment to the effect, among other things, that the issuance of bonds to refund all or a portion of the City's Pension Obligation from time to time will be, valid, legal and binding obligations of the City and in conformity with all applicable provisions of law; and

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

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

WHEREAS, pursuant to a First Supplemental Trust Agreement dated June 1, 2005, the City issued on a parity basis with the 2004 Bonds its City of Riverside Taxable Pension Obligation Bonds, 2005 Series A in the aggregate principal amount of \$30,000,000 (the "2005 Series A Bonds") and its

City of Riverside Taxable Pension Obligation Bonds, 2005 Series B (Auction Rate Securities) in the aggregate principal amount of \$30,000,000 (the “2005 Series B Bonds”) to refund obligations of the City to the System evidenced by the PERS Contract; and

WHEREAS, pursuant to ten additional supplemental trust agreements, respectively, the City issued notes and bonds on a parity basis with the 2004 Bonds, the last of which was the City of Riverside Taxable Pension Obligation Refunding Bonds, 2017 Series A (the “2017 Series A Bonds”), to refund the obligations of the City to the System that were first refunded by the 2005 Series B Bonds; and

WHEREAS, the City has determined that it is in the best interests of the City to refund other obligations of the City to the System evidenced by the PERS Contract (the “Additional System Debt”) by issuing one or more series of City of Riverside Taxable Pension Obligation Bonds in the aggregate principal amount of not to exceed \$525,000,000 (the “2020 Bonds”); and

WHEREAS, the 2020 Bonds will be payable on a parity basis with the 2004 Bonds, the 2005 Series A Bonds, the 2017 Series A Bonds and any additional series of bonds hereafter issued by the City pursuant to the Trust Agreement; and

WHEREAS, the 2020 Bonds will be issued pursuant to the Trust Agreement, as supplemented by a Twelfth Supplemental Trust Agreement to be entered into between the City and U.S. Bank National Association (the “Trustee”), as successor to the Former Trustee (the “Twelfth Supplemental Trust Agreement”) in accordance with the Trust Agreement; and

WHEREAS, there has been provided to the City Council copies of (i) the proposed form of Twelfth Supplemental Trust Agreement relating to the 2020 Bonds, including the form of the 2020 Bonds attached thereto as an exhibit, (ii) the Bond Purchase Agreement relating to the 2020 Bonds and (iii) the Preliminary Official Statement relating to the 2020 Bonds; and

WHEREAS, in compliance with SB 450, the City has obtained from its Municipal Advisor the required good faith estimates and such estimates are disclosed and set forth in an attachment to the staff report submitted herewith; and

WHEREAS, the City may hereafter, based on market conditions at the time of sale of the 2020 Bonds, determine to sell the 2020 Bonds as may be provided in the Bond Purchase Agreement to a direct purchaser of the 2020 Bonds.

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

Section 1. Findings. The City Council hereby finds and declares that the issuance of the 2020 Bonds to refund the Additional System Debt, and the other actions contemplated by this Resolution, are in the best interests of the City.

Section 2. The 2020 Bonds. The City Council hereby authorizes and approves the issuance of the 2020 Bonds in one or more series, with an appropriate series designation if more than one series of bonds is issued, and hereby authorizes and directs the Chief Financial Officer to execute the 2020 Bonds and to cause the 2020 Bonds to be authenticated and delivered in accordance with the Twelfth Supplemental Trust Agreement. The 2020 Bonds shall be in substantially the form attached

to the Twelfth Supplemental Trust Agreement, with such changes therein, deletions therefrom and additions thereto as the Chief Financial Officer shall approve, such approval to be conclusively evidenced by the execution and delivery of the 2020 Bonds. The aggregate initial principal amount of the 2020 Bonds shall not exceed \$525,000,000 and the true interest cost for the 2020 Bonds shall not exceed 4.25%. The Underwriter's discount on the 2020 Bonds, excluding any original issue discount, shall not exceed 0.25% of the aggregate principal amount of the 2020 Bonds. The 2020 Bonds shall constitute an obligation imposed by law, pursuant to the Constitution of the State of California and the Retirement Law and an obligation of the City not limited as to payment from any special source of funds. The 2020 Bonds shall not, however, constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Section 3. Twelfth Supplemental Trust Agreement. The proposed form of Twelfth Supplemental Trust Agreement, between the City and the Trustee, a copy of which has been provided to the City Council, is hereby approved. The Mayor, the Chief Financial Officer/City Treasurer and the City Manager (the "Authorized Representatives") are each hereby authorized and directed, severally, for and on behalf of the City, to execute and deliver the Twelfth Supplemental Trust Agreement, substantially in the form provided to the City Council, with such changes therein, deletions therefrom and additions thereto (including, but not limited to changes, deletions and additions as may be required by a bond rating agency) as such Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery of the Twelfth Supplemental Trust Agreement. If determined to be necessary by an Authorized Representative, separate supplemental trust agreements may be executed in connection with each series of 2020 Bonds, but each such additional supplemental trust agreement shall be in the form of the Twelfth Supplemental Trust Agreement approved at this meeting.

Section 4. Bond Purchase Agreement. The proposed form of Bond Purchase Agreement, by and between the City and BofA Securities, Inc., as representative of the underwriters of the Bonds (the "Representative"), a copy of which has been provided to the City Council, is hereby approved. The Authorized Representatives are each hereby authorized and directed, severally, for and on behalf of the City, to execute and deliver the Bond Purchase Agreement, substantially in the form provided to the City Council, with such changes therein, deletions therefrom and additions thereto as such Authorized Representative shall provide including, without limitation, as may be necessary to provide for the placement by the Representative with a direct purchaser of the 2020 Bonds, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. If determined to be necessary by an Authorized Representative, separate bond purchase agreement may be executed in connection with each series of 2020 Bonds, but each such additional bond purchase agreement shall be in the form of the Bond Purchase Agreement approved at this meeting.

Section 5. Preliminary Official Statement. Each of the Authorized Representatives is hereby authorized to approve a Preliminary Official Statement relating to the 2020 Bonds (such approval to be conclusively evidenced by the delivery thereof) (the "Preliminary Official Statement"), and the City Council hereby approves the use of the Preliminary Official Statement, a copy of which has been provided to the City Council, in connection with the offering and sale of the 2020 Bonds, with such additions thereto and changes therein as are determined necessary or appropriate by an Authorized Representative to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, as amended (except for the omission of those items permitted by said Rule). Each Authorized Representative is authorized to deem the Preliminary Official Statement to be final within the meaning of such Rule 15c2-12 subject to

completion of those items permitted by said Rule. The City Council hereby further approves the preparation and use of any supplement or amendment to the Preliminary Official Statement that is necessary or appropriate so that, in the opinion of an Authorized Representative, such Preliminary Official Statement does not include any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which such statements were made, not misleading.

Section 6. Final Official Statement. Each of the Authorized Representatives is hereby authorized to approve an Official Statement relating to the 2020 Bonds (such approval to be conclusively evidenced by his or her execution and delivery thereof) (the "Official Statement"), and the City Council hereby approves the use of the Official Statement in connection with the offering and sale of the 2020 Bonds. The City Council hereby further approves the preparation and use of any supplement or amendment to the Official Statement that is necessary or appropriate so that, in the opinion of an Authorized Representative, such Official Statement does not include any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which such statements were made, not misleading. Each of the Authorized Representatives is hereby authorized and directed, severally, to execute the Official Statement and any amendment or supplement thereto, in the name and on behalf of the City, and thereupon to cause such Official Statement and any such amendment or supplement to be delivered to the Underwriter. The Underwriter is authorized to distribute the Preliminary Official Statement and the Official Statement, and any such supplement or amendment thereto, to the purchasers or prospective purchasers of the 2020 Bonds.

Section 7. Continuing Disclosure Certificate. The proposed form of Continuing Disclosure Certificate, executed by the City in connection with the 2020 Bonds, a copy of which has been provided to the City Council, is hereby approved. The Authorized Representatives are each hereby authorized and directed, severally, for and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate, substantially in the form provided to the City Council, with such changes therein, deletions therefrom and additions thereto as such Authorized Representative shall provide, such approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

Section 8. Other Actions. Each of the Authorized Representatives is hereby authorized to do any and all things, including (without limitation) to execute and deliver any and all certificates, requisitions, agreements, notices, consents, and other documents, including a letter of representations to the securities depository and the closing certificates, and to obtain bond insurance and a reserve surety for all or a portion of the 2020 Bonds, which any such Authorized Representative may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 2020 Bonds as contemplated in the Bond Purchase Agreement and the Trust Agreement as supplemented, and any such actions previously taken by any Authorized Representative are hereby ratified, confirmed and approved.

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

ADOPTED by the City Council and signed by the Mayor and attested by the City Clerk this _____ day of _____, 2020.

Mayor of the City of Riverside

Attest:

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 at a meeting of the City Council of said City at its meeting held on the _____ day of _____, 2020, 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 _____, 2020.

City Clerk of the City of Riverside