

Permitted Investments

The term “Permitted Investments” means any of the following to the extent then permitted by applicable laws and any investment policies of the County:

- (1) Defeasance Securities;
- (2) Obligations of United States of America and any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - a) Export-Import Bank, Rural Economic Community Development Administration, U.S. Maritime Administration, Small Business Administration, U.S. Department of Housing & Urban, Development (PHAs); Federal Housing Administration and Federal Financing Bank.
- (3) Direct senior obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
 - b) Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank System (FHLB) or Federal Farm Credit Banks (FFCB) ;
 - c) Resolution Funding Corporation (REFCORP); and
 - d) Other Government Sponsored Agencies approved by the Insurer.
- (4) U.S. dollar denominated deposit accounts, certificates, federal funds and bankers’ acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank).
- (5) U.S. dollar denominated commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase.
- (6) Investments in a money market fund in the top rating categories by any two nationally recognized rating agencies.
- (7) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
 - (A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating by any two nationally recognized rating agencies; or
 - (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (2) of the definition of “Defeasance

Securities” contained in this Indenture, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(8) Municipal Obligations rated in the top two rating categories or higher by any two nationally recognized rating agencies.

(9) Investment Agreements rated in the top three rating categories by any two nationally recognized rating agencies (supported, as may be required, by appropriate opinions of counsel);

(10) Any investment authorized by California Government Code Section 53601;

(11) The Local Agency Investment Fund or similar pooled fund operated by or on behalf of the State of California and which is authorized to accept investments of moneys held in any of the funds or accounts established pursuant to this Indenture;

(12) The Riverside County Treasury Pool; and

(13) Other forms of investments rated in the top three rating categories by any two nationally recognized rating agencies (supported, as may be required, by appropriate opinions of counsel).