

523

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**FROM:** Executive Office

**SUBMITTAL DATE:**  
April 17, 2006

**SUBJECT:** Letter of Credit Extension

**RECOMMENDED MOTION:** (1) Resolution 2006-135 authorizing and approving the extension of a Letter of Credit through a First Amendment to Amended and Restated Sublease and Option to Purchase relating to the County's Certificates of Participation 1985 Series (Riverside County Public Facilities Project) be approved, and; (2) Resolution 2006-136 authorizing the approving the extension of a Letter of Credit through a First Amendment to Amended and Restated Sublease to the County's 1990 Taxable Variable Rate Certificates of Participation (Monterey Avenue Project) be approved.

**BACKGROUND:** The County has two variable rate Certificates of Participation issues outstanding, the 1985 Riverside County Public Facilities Project (85 ACES) and the 1990 Monterey Avenue Project. The Letters of Credit (LOC) for both issues are set to expire in June, 2006. State Street Bank, the provider of both LOCs, as agreed to extend the LOCs for an additional three years and reduce the cost from 53 basis points per year to 47 basis points per year, a savings of approximately \$68,000 per year. In addition, State Street has waived their legal fees associated with the extension.

Departmental Concurrence

Dean Deines  
Deputy County Executive Officer

FORM APPROVED  
COUNTY COUNSEL

APR 17 2006

BY <b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 470,000	For Fiscal Year:	06-07

<b>SOURCE OF FUNDS:</b> Capital Administration operating budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION: APPROVE**

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

Dep't Recomm.:  
Per Exec. Ofc.:

RECEIVED RIVERSIDE COUNTY  
MAY 15 2006

Prev. Agn. Ref.: | District: ALL | Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

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**RESOLUTION NO. 2006-135**

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RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF RIVERSIDE AUTHORIZING AND APPROVING  
THE EXTENSION OF A LETTER OF CREDIT THROUGH A  
FIRST AMENDMENT TO AMENDED AND RESTATED  
SUBLEASE AND OPTION TO PURCHASE RELATING TO  
THE COUNTY'S CERTIFICATES OF PARTICIPATION 1985  
SERIES (RIVERSIDE COUNTY PUBLIC FACILITIES  
PROJECT)

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WHEREAS, the County has previously caused to be executed and delivered its 1985  
Certificates of Participation Type One: Series A, Series B, Series C and Series D and Type Two:  
Series E (Riverside County Public Facilities Project) in the aggregate principal amount of  
\$169,400,000 and currently outstanding in the aggregate principal amount of \$94,900,000 (the  
"Certificates"), pursuant to a Trust Agreement, dated as of November 1, 1985, by and between the  
County and the Trustee as amended by that certain First Amendment to Trust Agreement, dated as of  
September 1, 1987, that certain Second Amendment to Trust Agreement, dated as November 1, 1995,  
that certain Third Amendment to Trust Agreement, dated as of October 15, 1996, and that certain  
Fourth Amendment to Trust Agreement, dated as of May 1, 2003 (as so supplemented and amended  
and as it may be further supplemented and amended from time to time, the "Trust Agreement");

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WHEREAS, in connection with the execution and delivery of the Certificates, the County and  
the County of Riverside Asset Leasing Corporation (the "Corporation") entered into a Ground Lease,  
dated November 1, 1985, as subsequently supplemented and amended by that certain First  
Amendment to Ground Lease, dated as of September 1, 1987, that certain Definitional Amendment  
Agreement to Sublease and Option to Purchase and Ground Lease, dated as of January 1, 1993, that  
certain Second Amendment to Ground Lease, dated as of November 1, 1995, and that certain Third  
Amendment to Ground Lease, dated as of May 1, 2003 (as so supplemented and amended and as it  
may be further supplemented and amended from time to time, the "Ground Lease");

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WHEREAS, in connection with the execution and delivery of the Certificates, the County, the  
Corporation and Golden State Sanwa Bank entered into the Sublease and Option to Purchase, dated

1 as of November 1, 1985, as subsequently supplemented and amended by that certain Amended and  
2 Restated Sublease and Option to Purchase, dated as of November 1, 1995, that certain First  
3 Amendment to Amended and Restated Sublease and Option to Purchase, dated as of July 20, 2000,  
4 and that certain Amended and Restated Sublease and Option to Purchase, dated as of May 1, 2003 (as  
5 so supplemented and amended and as it may be further supplemented and amended from time to  
6 time, the "Sublease");

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8 WHEREAS, in connection with the execution and delivery of the Certificates, the  
9 Corporation and the Trustee entered into an Assignment Agreement, dated as of November 1, 1985  
10 (the "Assignment Agreement") pursuant to which the Corporation assigned to the Trustee for the  
11 benefit of holders of the Certificates all of the Corporation's rights under the Ground Lease and the  
12 Sublease, excepting only certain rights to indemnification for losses and expenses;

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14 WHEREAS, in June 2003 State Street Bank and Trust Company (the "Banks") issued, for the  
15 benefit of the Trustee for the account of the County, its Irrevocable Letter of Credit No. ILC-  
16 1304/BSN (the "Letter of Credit"), in the total stated amount set forth in the Letter of Credit, a  
17 portion of which supports the payment of principal evidenced by, or portion of the purchase price  
18 corresponding to the principal evidenced by, the Certificates, and a portion of which supports the  
19 payment of interest evidenced by, or portion of the purchase price corresponding to interest  
20 evidenced by, the Certificates;

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22 WHEREAS, the County has requested that the Banks extend the Stated Termination Date of  
23 the Letter of Credit to June 3, 2009, and the Banks have agreed to such extension on the condition of  
24 the execution and delivery of an amendment to the Sublease;

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26 WHEREAS, the County and the Banks desire to amend and, pursuant to the terms of the  
27 Sublease and the Assignment Agreement, the County, the Banks and the Agent, with the written  
28 consent of the Trustee, are permitted to amend the Sublease;

1           WHEREAS, the County is authorized to undertake all of the above pursuant to the laws of the  
2 State of California.

3           NOW, THEREFORE, the Board of Supervisors of the County of Riverside does hereby  
4 resolve, determine and order as follows:

5           Section 1. The proposed First Amendment to Amended and Restated Sublease and Option to  
6 Purchase (the "First Amendment to Sublease"), by and among the County and State Street Bank and  
7 Trust Company, as a Bank, the Banks and Agent, and consented to by the Trustee, in substantially the  
8 form on file with the Clerk of the Board, is hereby approved. The County Executive Officer and any  
9 other authorized officers of the County acting on behalf of the County Executive Officer (each an  
10 "Authorized Representative" and, collectively, the "Authorized Representatives") are, and each of  
11 them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the  
12 County, to execute and deliver the First Amendment to Sublease in substantially the form on file with  
13 the Clerk of the Board, with such changes therein as the Authorized Representative executing and  
14 delivering such document may require or approve, such requirement or approval to be conclusively  
15 evidenced by the execution and delivery thereof.

16           Section 2. All actions heretofore taken by any officer of the County in connection with or  
17 related to any of the agreements referred to herein are hereby approved, confirmed and ratified.

18           Section 3. The Authorized Representatives are, and each of them acting alone is, authorized  
19 and directed to take any and all such actions, and to execute any and all such documents, as may be  
20 necessary or desirable to effectuate the purposes of this Resolution.

21           Section 4. The County Clerk shall certify to the passage of this Resolution, shall transmit a  
22 copy hereof to the Corporation, and shall cause the action of the Board of Supervisors in adopting the  
23 same to be entered in the official minutes of this Board of Supervisors.

1 **PASSED and ADOPTED** by the Board of Supervisors of the County of Riverside on the  
2 \_\_\_\_ day of April, 2006.

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Chairman of the Board of Supervisors

(SEAL)

ATTEST:

FORM APPROVED  
COUNTY COUNSEL

APR 17 2006

BY *[Signature]*

\_\_\_\_\_  
Clerk of the Board of Supervisors

**CERTIFICATE OF CLERK**

I, Nancy Romero, Clerk of the Board of Supervisors of the County of Riverside, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of the County of Riverside duly and regularly held at the regular meeting place thereof on \_\_\_\_\_, 2006, of which meeting all of the members of said Board had due notice.

AYES: Supervisors \_\_\_\_\_

NAYS: Supervisors \_\_\_\_\_

ABSENT: Supervisors \_\_\_\_\_

I do hereby further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

I do hereby further certify that an agenda for said meeting was posted at least seventy-two (72) hours before said meeting at 4080 Lemon Street, Riverside, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

WITNESS my hand and the seal of the County of Riverside this \_\_\_\_ day of April, 2006.

\_\_\_\_\_  
Clerk of the Board of Supervisors

[SEAL]

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**RESOLUTION NO. 2006-136**

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RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF RIVERSIDE AUTHORIZING AND APPROVING  
THE EXTENSION OF A LETTER OF CREDIT THROUGH A  
FIRST AMENDMENT TO AMENDED AND RESTATED  
SUBLEASE AND OPTION TO PURCHASE RELATING TO  
THE COUNTY'S 1990 TAXABLE VARIABLE RATE  
CERTIFICATES OF PARTICIPATION (MONTEREY AVENUE  
PROJECT)

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WHEREAS, the County has previously caused to be executed and delivered its 1990 Taxable Variable Rate Certificates of Participation (Monterey Avenue Project) in the aggregate principal amount of \$8,800,000 and currently outstanding in the aggregate principal amount of \$7,000,000 (the "Certificates"), pursuant to a Trust Agreement, dated as of June 1, 1990, by and between the County and the Trustee as amended by that certain First Amendment to Trust Agreement, dated as of January 26, 1996, that certain Second Amendment to Trust Agreement, dated as of May 1, 2003 (as so supplemented and amended and as it may be further supplemented and amended from time to time, the "Trust Agreement");

WHEREAS, in connection with the execution and delivery of the Certificates, the County and the Desert Facilities Corporation (the "Corporation") entered into the Ground Lease, dated as of June 1, 1990, as amended by that certain First Amendment to Ground Lease, dated as of January 26, 1996 (as so supplemented and amended and as it may be further supplemented and amended from time to time, the "Ground Lease");

WHEREAS, in connection with the execution and delivery of the Certificates, the County, the Corporation and The Sanwa Bank, Limited entered into the Sublease and Option to Purchase, dated as of June 1, 1990, as subsequently supplemented and amended by that certain Amended and Restated Sublease and Option to Purchase, dated as of January 26, 1996, that certain First Amendment to Amended and Restated Sublease and Option to Purchase, dated as of July 20, 2000,

1 and that certain Amended and Restated Sublease and Option to Purchase, dated as of May 1, 2003 (as  
2 so supplemented and amended and as it may be further supplemented and amended from time to  
3 time, the "Sublease");  
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5 WHEREAS, in connection with the execution and delivery of the Certificates, the  
6 Corporation and the Trustee entered into an Assignment Agreement, dated as of June 1, 1990, as  
7 subsequently supplemented and amended by that certain Amended and Restated Assignment  
8 Agreement, dated as of January 26, 1996 (the "Assignment Agreement") pursuant to which the  
9 Corporation assigned to the Trustee for the benefit of holders of the Certificates all of the  
10 Corporation's rights under the Ground Lease and the Sublease, excepting only certain rights to  
11 indemnification for losses and expenses;  
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13 WHEREAS, in June 2003 State Street Bank and Trust Company (the "Banks") issued, for the  
14 benefit of the Trustee for the account of the County, its Irrevocable Letter of Credit No. ILC-  
15 1305/BSN (the "Letter of Credit"), in the total stated amount set forth in the Letter of Credit, a  
16 portion of which supports the payment of principal evidenced by, or portion of the purchase price  
17 corresponding to the principal evidenced by, the Certificates, and a portion of which supports the  
18 payment of interest evidenced by, or portion of the purchase price corresponding to interest  
19 evidenced by, the Certificates;  
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21 WHEREAS, the County has requested that the Banks extend the Stated Termination Date of  
22 the Letter of Credit to June 11, 2009, and the Banks have agreed to such extension on the condition of  
23 the execution and delivery of an amendment to the Sublease;  
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25 WHEREAS, the County and the Banks desire to amend and, pursuant to the terms of the  
26 Sublease and the Assignment Agreement, the County, the Banks and the Agent, with the written  
27 consent of the Trustee, are permitted to amend the Sublease;  
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1           WHEREAS, the County is authorized to undertake all of the above pursuant to the laws of the  
2 State of California.

3           NOW, THEREFORE, the Board of Supervisors of the County of Riverside does hereby  
4 resolve, determine and order as follows:

5           Section 1. The proposed First Amendment to Amended and Restated Sublease and Option to  
6 Purchase (the "First Amendment to Sublease"), by and among the County and State Street Bank and  
7 Trust Company, as a Bank, the Banks and Agent, and consented to by the Trustee, in substantially the  
8 form on file with the Clerk of the Board, is hereby approved. The County Executive Officer and any  
9 other authorized officers of the County acting on behalf of the County Executive Officer (each an  
10 "Authorized Representative" and, collectively, the "Authorized Representatives") are, and each of  
11 them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the  
12 County, to execute and deliver the First Amendment to Sublease in substantially the form on file with  
13 the Clerk of the Board, with such changes therein as the Authorized Representative executing and  
14 delivering such document may require or approve, such requirement or approval to be conclusively  
15 evidenced by the execution and delivery thereof.

16           Section 2. All actions heretofore taken by any officer of the County in connection with or  
17 related to any of the agreements referred to herein are hereby approved, confirmed and ratified.

18           Section 3. The Authorized Representatives are, and each of them acting alone is, authorized  
19 and directed to take any and all such actions, and to execute any and all such documents, as may be  
20 necessary or desirable to effectuate the purposes of this Resolution.

21           Section 4. The County Clerk shall certify to the passage of this Resolution, shall transmit a  
22 copy hereof to the Corporation, and shall cause the action of the Board of Supervisors in adopting the  
23 same to be entered in the official minutes of this Board of Supervisors.

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**PASSED and ADOPTED** by the Board of Supervisors of the County of Riverside on the  
\_\_\_\_ day of April, 2006.

\_\_\_\_\_  
Chairman of the Board of Supervisors

(SEAL)

ATTEST:

FORM APPROVED  
COUNTY COUNSEL

APR 17 2006

BY *Dee York*

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Clerk of the Board of Supervisors

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**CERTIFICATE OF CLERK**

I, Nancy Romero, Clerk of the Board of Supervisors of the County of Riverside, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of the County of Riverside duly and regularly held at the regular meeting place thereof on \_\_\_\_\_, 2006, of which meeting all of the members of said Board had due notice.

AYES: Supervisors \_\_\_\_\_

NAYS: Supervisors \_\_\_\_\_

ABSENT: Supervisors \_\_\_\_\_

I do hereby further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

I do hereby further certify that an agenda for said meeting was posted at least seventy-two (72) hours before said meeting at 4080 Lemon Street, Riverside, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

WITNESS my hand and the seal of the County of Riverside this \_\_\_\_ day of April, 2006.

\_\_\_\_\_  
Clerk of the Board of Supervisors

[SEAL]