

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



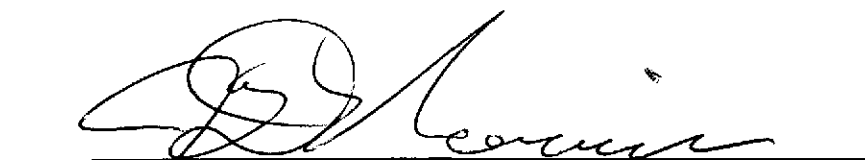
**SUBMITTAL DATE:**  
April 21, 2009

**FROM:** County Executive Office

**SUBJECT:** Letter of Credit Extension

**RECOMMENDED MOTION:** That the Board of Supervisors approve (1) Resolution No. 2009-165, authorizing and approving the extension of a Letter of Credit through a Second 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); and (2) Resolution No. 2009-166, authorizing and approving the extension of a Letter of Credit through a Second Amendment to Amended and Restated Sublease to the County's 1990 Taxable Variable Rate Certificates of Participation (Monterey Avenue Project).

**BACKGROUND:** The County has two variable rate Certificate 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 2009. State Street Bank, the provider of both LOCs, has agreed to extend the LOCs for an additional three years at a rate that is reasonable considering the current economic environment. The cost will increase from 47 basis points to 130 basis points.

  
 \_\_\_\_\_  
 Jerry Norris, Principal Management Analyst

**FINANCIAL DATA**

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:	\$ 892,000	For Fiscal Year:	2008/09

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

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

**County Executive Office Signature** BY:   
Dean Deines

FORM APPROVED COUNTY COUNSEL  
 BY:  MARSHAL VICTOR  
 DATE: 4/22/09  
 Departmental Concurrence:

Consent  
 Policy  
 Consent  
 Policy  
 Dept Recomm.:  
 Per Exec. Ofc.:

**Prev. Agn. Ref.:** | **District:** All | **Agenda Number:**

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**RESOLUTION NO. 2009-165**

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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  
SECOND 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 \$75,900,000 (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");

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");

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 that certain Amended and Restated Sublease and Option to Purchase, dated as of May 1, 2003, and  
5 that certain First Amendment to Amended and Restated Sublease and Option to Purchase, dated as of  
6 April 25, 2006 (as so supplemented and amended and as it may be further supplemented and  
7 amended from time to time, the "Sublease");

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;

13  
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;

21  
22 WHEREAS, the County in April 2006 requested that the Banks extend the Stated Termination  
23 Date of the Letter of Credit to June 3, 2009, and the Banks agreed to such extension on the condition  
24 of the execution and delivery of an amendment to the Sublease;

25  
26 WHEREAS, the County has requested that the Banks extend the Stated Termination Date of  
27 the Letter of Credit to June 3, 2011, and the Banks have agreed to such extension on the condition of  
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1 the execution and delivery of an amendment to the Sublease;  
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3 WHEREAS, the County and the Banks desire to amend and, pursuant to the terms of the  
4 Sublease and the Assignment Agreement, the County, the Banks and the Agent, with the written  
5 consent of the Trustee, are permitted to amend the Sublease;

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

8  
9 NOW, THEREFORE, the Board of Supervisors of the County of Riverside does hereby  
10 resolve, determine and order as follows:

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

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

25 Section 3. The Authorized Representatives are, and each of them acting alone is, authorized  
26 and directed to take any and all such actions, and to execute any and all such documents, as may be  
27 necessary or desirable to effectuate the purposes of this Resolution.  
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Section 4. The County Clerk shall certify to the passage of this Resolution and shall cause the action of the Board of Supervisors in adopting the same to be entered in the official minutes of this Board of Supervisors.

**PASSED and ADOPTED** by the Board of Supervisors of the County of Riverside on the \_\_\_\_ day of April, 2009.

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

(SEAL)

ATTEST:

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

FORM APPROVED COUNTY COUNSEL  
BY: Marshall Victor 4/22/09  
MARSHAL VICTOR DATE

1 **CERTIFICATE OF CLERK**

2  
3 I, Nancy Romero, Clerk of the Board of Supervisors of the County of Riverside, do hereby  
4 certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular  
5 meeting of the Board of Supervisors of the County of Riverside duly and regularly held at the regular  
6 meeting place thereof on \_\_\_\_\_, 2009, of which meeting all of the members of said Board  
7 had due notice.

8 **AYES:** Supervisors \_\_\_\_\_

9 **NAYS:** Supervisors \_\_\_\_\_

10 **ABSENT:** Supervisors \_\_\_\_\_

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

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

20 WITNESS my hand and the seal of the County of Riverside this \_\_\_\_\_ day of April, 2009.

21 \_\_\_\_\_  
22 Clerk of the Board of Supervisors

23 [SEAL]

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RECORDING REQUESTED BY AND )  
WHEN RECORDED MAIL TO: )  
 )  
Nixon Peabody LLP )  
Gas Company Tower )  
555 West Fifth Street, 46<sup>th</sup> Floor )  
Los Angeles, CA 90013 )  
 )  
 )

Attention: Charles C. Wolf, Esq.

(Space above for Recorder's use)

This document is recorded for the benefit of the County of Riverside and the recording is fee-exempt under Section 6103 of the Government Code.

**SECOND AMENDMENT**

Dated as of April 29, 2009

to

**AMENDED AND RESTATED  
SUBLEASE AND OPTION TO PURCHASE  
(Public Facilities Project)**

Dated as of May 1, 2003

by and among

**COUNTY OF RIVERSIDE**

and

**STATE STREET BANK AND TRUST COMPANY,  
as a Bank and the Banks and as the Agent**

and consented to by

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as assignee of certain rights of the County of Riverside Asset Leasing Corporation**

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**SECOND AMENDMENT TO AMENDED AND RESTATED  
SUBLEASE AND OPTION TO PURCHASE**

THIS **SECOND AMENDMENT** dated as of April 29, 2009 (the "Amendment") to **AMENDED AND RESTATED SUBLEASE AND OPTION TO PURCHASE** dated as of May 1, 2003 (the "Sublease"), is entered into by and among the **COUNTY OF RIVERSIDE** (the "County"), a political subdivision of the State of California (the "State"), **STATE STREET BANK AND TRUST COMPANY** (as more particularly defined in the Sublease, a "Bank" and the "Banks") and **STATE STREET BANK AND TRUST COMPANY**, acting in the manner and to the extent described in Section 4.7 of the Sublease (in such capacity and as more particularly defined in the Sublease, the "Agent") and consented to by **THE BANK OF NEW YORK TRUST COMPANY, N.A.**, as assignee of certain rights of the County of Riverside Asset Leasing Corporation;

**W I T N E S S E T H:**

**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 \$75,900,000 (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 of 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");

**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, that certain Third Amendment to Ground Lease, dated as of May 1, 2003, and that certain Fourth Amendment to Ground Lease, dated as of the date hereof (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 Golden State Sanwa Bank entered into the Sublease and Option to Purchase, dated as of November 1, 1985, as subsequently supplemented and amended by that certain Amended and Restated Sublease and Option to Purchase, dated as of November 1, 1995, that certain First Amendment to Amended and Restated Sublease and Option to Purchase, dated as of July 20, 2000, that certain Amended and Restated Sublease and Option to Purchase, dated as of May 1, 2003, and that certain First Amendment to Amended and Restated Sublease and

Option to Purchase, dated as of April 25, 2006 (as so supplemented and amended and as it may be further supplemented and amended from time to time, the "Sublease");

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

**WHEREAS**, the Banks issued, for the benefit of the Trustee for the account of the County, its Irrevocable Letter of Credit No. ILC-1304/BSN (the "Letter of Credit"), in the total stated amount set forth in the Letter of Credit, a portion of which supports the payment of principal evidenced by, or portion of the purchase price corresponding to the principal evidenced by, the Certificates, and a portion of which supports the payment of interest evidenced by, or portion of the purchase price corresponding to interest evidenced by, the Certificates;

**WHEREAS**, in April 2006 the County requested that the Banks extend the Stated Termination Date of the Letter of Credit to June 3, 2009, and the Banks agreed to such extension on the condition of the execution and delivery of this Amendment by the parties hereto;

**WHEREAS**, the County has requested that the Banks extend the Stated Termination Date of the Letter of Credit to June 3, 2011, and the Banks have agreed to such extension on the condition of the execution and delivery of this Amendment by the parties hereto;

**WHEREAS**, the County and the Banks desire to amend and, pursuant to the terms of the Sublease, the County, the Banks and the Agent, with the written consent of the Trustee, are permitted to amend the Sublease;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

**Section 1. Definitions.** Unless the context clearly otherwise requires, capitalized terms used herein without definition shall have the meanings given to such terms in the Sublease or the Letter of Credit.

**Section 2. Amendments to Sublease.** Section 4.2(d) of the Sublease is hereby amended by deleting the second sentence thereof in its entirety and replacing it with the following:

"The County hereby agrees to pay, as Additional Rental and from such other moneys as may be legally available for such purposes, an annual Letter of Credit fee (for the actual number of days elapsed, computed on the basis of a 360-day year) (i) at the rate of 0.53% per annum for the period commencing on June 3, 2003 and through and including June 3, 2006, (ii) at the rate of 0.47% per annum for the period commencing on June 4, 2006 through and including June 3, 2009, and (iii) at the rate of 1.30% per annum for the period commencing June 4, 2009, and thereafter, of the average Stated Amount in effect from time to time, payable

to the Banks quarterly in arrears, commencing on July 31, 2003 and thereafter on the last day of April, July, October and January of each year with a final payment on the Termination Date of the Letter of Credit, or such earlier date as the Letter of Credit expires in accordance with its terms, and an annual administrative fee, in the amount of \$0, payable to the Agent on the Date of Issuance and on each anniversary thereof.”

**Section 3.** The County acknowledges and agrees that, if and to the extent that the Banks have not heretofore required strict compliance with the performance by the County of the covenants, agreements and obligations of the County under the Related Documents, such action or inaction shall not constitute a waiver of, or otherwise affect in any manner, the Banks’ rights and remedies under the Related Documents, as amended hereby, including the right to require performance of such covenants, agreements and obligations strictly in accordance with the terms and provisions thereof.

**Section 4.** The County hereby reaffirms and remakes each of the representations and warranties of the County set forth in the Sublease as of the date of execution and delivery of this Amendment. The County hereby represents and warrants that no Default or Event of Default under the Sublease has occurred and is continuing as of the date of execution and delivery of this Amendment. The County hereby represents and warrants that no default has occurred and is continuing under the Trust Agreement or the other Related Documents as of the date of execution and delivery of this Amendment.

**Section 5.** The County hereby agrees that all costs and expenses incurred by the Banks in connection with the transactions contemplated herein including, without limitation, attorneys’ fees and disbursements, are included as obligations under Section 4.2(c)(ii) of the Sublease.

**Section 6.** The Sublease is hereby ratified and confirmed in all respects and all terms, conditions and provisions of the Sublease, except as amended by this Amendment, shall remain in full force and effect.

**Section 7.** This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

**Section 8.** This Amendment is made in the State of California under the Constitution and laws of the State of California and is to be so construed.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

**COUNTY OF RIVERSIDE**

By \_\_\_\_\_  
County Executive Officer

ATTEST:

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

**STATE STREET BANK AND TRUST  
COMPANY,  
as a Bank and the Banks**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**STATE STREET BANK AND TRUST  
COMPANY, as the Agent**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CONSENTED TO  
as assignee of certain rights of the  
COUNTY OF RIVERSIDE ASSET  
LEASING CORPORATION  
this 29th day of April, 2009:

**THE BANK OF NEW YORK MELLON TRUST COMPANY,  
as successor Trustee**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF RIVERSIDE )

On \_\_\_\_\_, 2009 before me, \_\_\_\_\_, a Notary Public in and for said State, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument pursuant to a resolution of its board of supervisors.

WITNESS my hand and official seal.

[SEAL]

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**EXHIBIT A**  
**DESCRIPTION OF PROPERTY**

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**RESOLUTION NO. 2009-166**

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF RIVERSIDE AUTHORIZING AND APPROVING  
THE EXTENSION OF A LETTER OF CREDIT THROUGH A  
SECOND 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)

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 \$6,200,000 (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 that certain Amended and Restated Sublease and Option to Purchase, dated as of May 1, 2003, and  
2 that certain First Amendment to Amended and Restated Sublease and Option to Purchase, dated as of  
3 April 25, 2006 (as so supplemented and amended and as it may be further supplemented and  
4 amended from time to time, the "Sublease");  
5

6 WHEREAS, in connection with the execution and delivery of the Certificates, the  
7 Corporation and the Trustee entered into an Assignment Agreement, dated as of June 1, 1990, as  
8 subsequently supplemented and amended by that certain Amended and Restated Assignment  
9 Agreement, dated as of January 26, 1996 (the "Assignment Agreement") pursuant to which the  
10 Corporation assigned to the Trustee for the benefit of holders of the Certificates all of the  
11 Corporation's rights under the Ground Lease and the Sublease, excepting only certain rights to  
12 indemnification for losses and expenses;  
13

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 1305/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;  
21

22 WHEREAS, in April 2006 the County requested that the Banks extend the Stated Termination  
23 Date of the Letter of Credit to June 11, 2009, and the Banks agreed to such extension on the condition  
24 of the execution and delivery of an amendment to the Sublease;  
25

26 WHEREAS, the County has requested that the Banks extend the Stated Termination Date of  
27 the Letter of Credit to June 11, 2011, and the Banks have agreed to such extension on the condition of  
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1 the execution and delivery of an amendment to the Sublease;  
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3 WHEREAS, the County and the Banks desire to amend and, pursuant to the terms of the  
4 Sublease and the Assignment Agreement, the County, the Banks and the Agent, with the written  
5 consent of the Trustee, are permitted to amend the Sublease;

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

8  
9 NOW, THEREFORE, the Board of Supervisors of the County of Riverside does hereby  
10 resolve, determine and order as follows:

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

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

25 Section 3. The Authorized Representatives are, and each of them acting alone is, authorized  
26 and directed to take any and all such actions, and to execute any and all such documents, as may be  
27 necessary or desirable to effectuate the purposes of this Resolution.  
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Section 4. The County Clerk shall certify to the passage of this Resolution and shall cause the action of the Board of Supervisors in adopting the same to be entered in the official minutes of this Board of Supervisors.

**PASSED and ADOPTED** by the Board of Supervisors of the County of Riverside on the \_\_\_\_ day of April, 2009.

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

(SEAL)

ATTEST:

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

FORM APPROVED COUNTY COUNSEL  
BY:     M. Victor         4/22/09      
MARSHAL. VICTOR DATE

1 **CERTIFICATE OF CLERK**

2  
3 I, Nancy Romero, Clerk of the Board of Supervisors of the County of Riverside, do hereby  
4 certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular  
5 meeting of the Board of Supervisors of the County of Riverside duly and regularly held at the regular  
6 meeting place thereof on \_\_\_\_\_, 2009, of which meeting all of the members of said Board  
7 had due notice.

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

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

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

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

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

20 WITNESS my hand and the seal of the County of Riverside this \_\_\_\_\_ day of April, 2009.

21 \_\_\_\_\_  
22 Clerk of the Board of Supervisors

23 [SEAL]

---

RECORDING REQUESTED BY AND )  
WHEN RECORDED MAIL TO: )  
Nixon Peabody LLP )  
Gas Company Tower )  
555 West Fifth Street, 46<sup>th</sup> Floor )  
Los Angeles, CA 90013 )  
)

Attention: Charles C. Wolf, Esq.

(Space above for Recorder's use)

This document is recorded for the benefit of the County of Riverside and the recording is fee-exempt under Section 6103 of the Government Code.

**SECOND AMENDMENT**

Dated as of April 29, 2009

to

**AMENDED AND RESTATED  
SUBLEASE AND OPTION TO PURCHASE  
(Monterey Avenue Project)**

Dated as of May 1, 2003

by and among

**COUNTY OF RIVERSIDE**

and

**STATE STREET BANK AND TRUST COMPANY,**  
as a Bank and the Banks and as the Agent

and consented to by

**U.S. BANK NATIONAL ASSOCIATION,**  
as assignee of certain rights of the Desert Facilities Corporation

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**SECOND AMENDMENT TO AMENDED AND RESTATED  
SUBLEASE AND OPTION TO PURCHASE**

THIS SECOND AMENDMENT dated as of April 29, 2009 (the "Amendment") to **AMENDED AND RESTATED SUBLEASE AND OPTION TO PURCHASE** dated as of May 1, 2003 (the "Sublease"), is entered into by and among the **COUNTY OF RIVERSIDE** (the "County"), a political subdivision of the State of California (the "State"), **STATE STREET BANK AND TRUST COMPANY** (as more particularly defined in the Sublease, a "Bank" and the "Banks") and **STATE STREET BANK AND TRUST COMPANY**, acting in the manner and to the extent described in Section 4.7 of the Sublease (in such capacity and as more particularly defined in the Sublease, the "Agent") and consented to by **U.S. BANK NATIONAL ASSOCIATION**, as assignee of certain rights of the Desert Facilities Corporation;

**W I T N E S S E T H:**

**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 \$6,200,000 (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, that certain Amended and Restated Sublease and Option to Purchase, dated as of May 1, 2003 and that certain First Amendment to Amended and Restated Sublease and Option to Purchase, dated as of April 25, 2006 (as so supplemented and amended and as it may be further supplemented and amended from time to time, the "Sublease");

**WHEREAS**, in connection with the execution and delivery of the Certificates, the Corporation and the Trustee entered into an Assignment Agreement, dated as of June 1, 1990, as subsequently supplemented and amended by that certain Amended and Restated Assignment Agreement, dated as of January 26, 1996 (the "Assignment Agreement") pursuant to which the Corporation assigned to the Trustee for the benefit of holders of the Certificates all of

the Corporation's rights under the Ground Lease and the Sublease, excepting only certain rights to indemnification for losses and expenses;

**WHEREAS**, the Banks issued, for the benefit of the Trustee for the account of the County, its Irrevocable Letter of Credit No. ILC-1305/BSN (the "Letter of Credit"), in the total stated amount set forth in the Letter of Credit, a portion of which supports the payment of principal evidenced by, or portion of the purchase price corresponding to the principal evidenced by, the Certificates, and a portion of which supports the payment of interest evidenced by, or portion of the purchase price corresponding to interest evidenced by, the Certificates;

**WHEREAS**, in April 2006 the County requested that the Banks extend the Stated Termination Date of the Letter of Credit to June 11, 2009, and the Banks agreed to such extension on the condition of the execution and delivery of an amendment to the Sublease by the parties hereto;

**WHEREAS**, the County has requested that the Banks extend the Stated Termination Date of the Letter of Credit to June 11, 2011, and the Banks have agreed to such extension on the condition of the execution and delivery of this Amendment by the parties hereto;

**WHEREAS**, the County and the Banks desire to amend and, pursuant to the terms of the Sublease, the County, the Banks and the Agent, with the written consent of the Trustee, are permitted to amend the Sublease;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

**Section 1. Definitions.** Unless the context clearly otherwise requires, capitalized terms used herein without definition shall have the meanings given to such terms in the Sublease or the Letter of Credit.

**Section 2. Amendments to Sublease.** Section 4.2(d) of the Sublease is hereby amended by deleting the second sentence thereof in its entirety and replacing it with the following:

"The County hereby agrees to pay, as Additional Rental and from such other moneys as may be legally available for such purposes, an annual Letter of Credit fee (for the actual number of days elapsed, computed on the basis of a 360-day year) (i) at the rate of 0.53% per annum for the period commencing on June 3, 2003, (ii) at the rate of 0.47% per annum for the period commencing on June 12, 2006 and through and including June 11, 2006, and (iii) at the rate of 1.30% per annum for the period commencing on June 12, 2009, and thereafter, of the average Stated Amount in effect from time to time, payable to the Banks quarterly in arrears, commencing on July 31, 2003 and thereafter on the last day of April, July, October and January of each year with a final payment on the Termination Date of the Letter of Credit, or such earlier date as the Letter of Credit expires in accordance with its terms, and an annual administrative fee, in the amount of \$0, payable to the Agent on the Date of Issuance and on each anniversary thereof."

**Section 3.** The County acknowledges and agrees that, if and to the extent that the Banks have not heretofore required strict compliance with the performance by the County of the covenants, agreements and obligations of the County under the Related Documents, such action or inaction shall not constitute a waiver of, or otherwise affect in any manner, the Banks' rights and remedies under the Related Documents, as amended hereby, including the right to require performance of such covenants, agreements and obligations strictly in accordance with the terms and provisions thereof.

**Section 4.** The County hereby reaffirms and remakes each of the representations and warranties of the County set forth in the Sublease as of the date of execution and delivery of this Amendment. The County hereby represents and warrants that no Default or Event of Default under the Sublease has occurred and is continuing as of the date of execution and delivery of this Amendment. The County hereby represents and warrants that no default has occurred and is continuing under the Trust Agreement or the other Related Documents as of the date of execution and delivery of this Amendment.

**Section 5.** The County hereby agrees that all costs and expenses incurred by the Banks in connection with the transactions contemplated herein including, without limitation, attorneys' fees and disbursements, are included as obligations under Section 4.2(c)(ii) of the Sublease.

**Section 6.** The Sublease is hereby ratified and confirmed in all respects and all terms, conditions and provisions of the Sublease, except as amended by this Amendment, shall remain in full force and effect.

**Section 7.** This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

**Section 8.** This Amendment is made in the State of California under the Constitution and laws of the State of California and is to be so construed.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

**COUNTY OF RIVERSIDE**

By \_\_\_\_\_  
County Executive Officer

ATTEST:

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

**STATE STREET BANK AND TRUST  
COMPANY,  
as a Bank and the Banks**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**STATE STREET BANK AND TRUST  
COMPANY, as the Agent**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CONSENTED TO  
as assignee of certain rights of the  
DESERT FACILITIES CORPORATION  
this 29th day of April, 2009:

**U.S. BANK NATIONAL ASSOCIATION,  
as successor Trustee**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF RIVERSIDE )

On \_\_\_\_\_, 2009 before me, \_\_\_\_\_, a Notary Public in and for said State, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument pursuant to a resolution of its board of supervisors.

WITNESS my hand and official seal.

[SEAL]

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EXHIBIT A  
DESCRIPTION OF PROPERTY