

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE  
RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

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**FROM:** Public Financing Authority

**SUBMITTAL DATE:**  
June 10, 2010

**SUBJECT:** Resolution No. 2010-005, Authorizing the Execution of Amendments to the Installment Purchase Agreement and Trust Agreement Relating to the Certificates of Participation for the Benefit of Air Force Village West

**RECOMMENDED MOTION:** That the Board of Directors adopt Resolution Number 2010-005, Authorizing the Execution of Amendments to the Installment Purchase Agreement and Trust Agreement Relating to the Certificates of Participation executed and delivered on June 29, 1999, for the benefit of Air Force Village West, Inc. and other matters relating thereto.

**BACKGROUND:** The Air Force Village West, Inc., as borrower of a Conduit Issue Tax Exempt Multi-family Housing Revenue Bond, has requested that the Public Finance Authority execute Amendments to the Installment Purchase Agreement and Trust Agreement relative to their requested certificate to the bond holders waiving a default of the Installment Sale Agreement in their failure to comply with covenants therein. Authority staff recommends execution of the First Amendment to Installment Sale Agreement, the Second Amendment to Installment Sale Agreement and the First Amendment to Trust Agreement, assenting to such a waiver.

Robert Field, Executive Director  
By Emilio Ramirez, Deputy Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010 / 11

<b>SOURCE OF FUNDS:</b> Private Mortgage Revenue Bonds	<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  
BY:   
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL

BY: DALE A. GARDNER DATE: 6/10/10

Departmental Concurrence

- Dept't Recomm.:  Consent
- Per Exec. Ofc.:  Consent
- Policy
- Policy

**Prev. Agn. Ref.:**      **District:** 1      **Agenda Number:**

1 PUBLIC FINANCING AUTHORITY

BOARD OF DIRECTORS

2 RESOLUTION No. 2010-005

3  
4 A RESOLUTION AUTHORIZING THE EXECUTION OF AMENDMENTS TO THE  
5 INSTALLMENT PURCHASE AGREEMENT AND TRUST AGREEMENT RELATING TO THE  
6 CERTIFICATES OF PARTICIPATION EXECUTED AND DELIVERED ON JUNE 29, 1999 FOR  
7 THE BENEFIT OF AIR FORCE VILLAGE WEST, INC. AND OTHER MATTERS RELATING  
8 THERETO  
9

10 WHEREAS, on June 29, 1999, certificates of participation (the "Certificates") evidencing  
11 proportionate undivided interests in the installment payments to be made by the Riverside County  
12 Public Financing Authority (the "Authority") pursuant to the an Installment Purchase Agreement,  
13 dated as of June 1, 1999 (the "Purchase Agreement"), between Air Force Village West, Inc. (the  
14 "Corporation"), as seller, and the Authority, as purchaser, were executed and delivered by U.S.  
15 Bank Trust National Association (now known as U.S. Bank National Association) (the "Trustee")  
16 pursuant to a Trust Agreement, dated as of June 1, 1999 (the "Trust Agreement"), among the  
17 Authority, the Corporation and the Trustee;

18 WHEREAS, pursuant to the Purchase Agreement the Corporation sells certain real  
19 property (the "Real Property") on an installment basis to the Authority, and the Corporation  
20 purchases the Real Property back from the Authority pursuant to an Installment Sale Agreement,  
21 dated as of June 1, 1999 (the "Installment Sale Agreement"), between the Authority, as seller, and  
22 the Corporation, as purchaser;

23 WHEREAS, the Corporation has failed to comply with certain covenants under the  
24 Installment Sale Agreement and has requested that the Trustee, acting at the direction of the  
25 Holders of a majority in aggregate principal amount of the Certificates then Outstanding, waive  
26 such defaults under the Installment Sale Agreement;

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FORM APPROVED COUNTY COUNSEL  
BY Dale A. Gardner DATE 6/15/10  
DALE A. GARDNER

1           **WHEREAS**, the Holders of a majority in aggregate principal amount of the Certificates  
2 then Outstanding, as part of the conditions to granting such waivers of defaults, have directed that  
3 the Authority, the Trustee and the Corporation shall have delivered to the Trustee (1) a First  
4 Amendment to the Installment Sale Agreement, executed and delivered by the Corporation and  
5 the Authority, (2) a Second Amendment to the Installment Sale Agreement, executed and  
6 delivered by the Corporation and the Authority, (3) a First Amendment to the Trust Agreement,  
7 executed and delivered by the Corporation, the Trustee and the Authority, which provide for  
8 certain amendments of the Installment Sale Agreement and Trust Agreement, respectively, in  
9 connection with such waivers;

10           **WHEREAS**, Section 9.01 of the Trust Agreement provides that the Installment Sale  
11 Agreement and the Trust Agreement may be modified and amended from time to time by trust  
12 agreements or installments sale agreements, respectively, supplemental thereto, which the  
13 Authority, the Corporation and the Trustee may enter into when the prior written consent of the  
14 Holders of at least a majority in aggregate principal amount of the Certificates then Outstanding  
15 shall have been filed with the Trustee;

16           **WHEREAS**, the Holders of a majority in aggregate principal amount of the Certificates  
17 Outstanding will file their consent with the Trustee prior to the execution and delivery by the  
18 Authority, the Trustee and the Corporation of the First Amendment to Installment Sale Agreement,  
19 Second Amendment to Installment Sale Agreement and First Amendment to Trust Agreement;

20           **WHEREAS**, the Authority desires to authorize execution of the First Amendment to  
21 Installment Sale Agreement, the Second Amendment to Installment Sale Agreement and the First  
22 Amendment to Trust Agreement; and

23           **WHEREAS**, there have been presented to this meeting the following documents and  
24 agreements:

- 25           a) A proposed form of the First Amendment to Installment Sale Agreement;
- 26           b) A proposed form of the Second Amendment to Installment Sale Agreement; and
- 27           c) A proposed form of the First Amendment to Trust Agreement.

1           **NOW THEREFORE, BE IT RESOLVED** by the Board of the Riverside County Public  
2 Financing Authority, as follows:

- 3           1) The proposed form of First Amendment to Installment Sale Agreement, as  
4           presented to this meeting, is hereby approved. Any member of the Board of the  
5           Authority or the Executive Director of the Authority is hereby authorized and  
6           directed, for and on behalf of the Authority, to execute and deliver the First  
7           Amendment to Installment Sale Agreement in substantially said form, with such  
8           changes and insertions therein as may be necessary to carry out the intent of this  
9           Resolution and as such member, with the advice of counsel to the Authority, may  
10          approve, such approval to be conclusively evidenced by the execution and delivery  
11          thereof.
- 12          2) The proposed form of Second Amendment to Installment Sale Agreement, as  
13          presented to this meeting, is hereby approved. Any member of the Board of the  
14          Authority or the Executive Director of the Authority is hereby authorized and  
15          directed, for and on behalf of the Authority, to execute and deliver the Second  
16          Amendment to Installment Sale Agreement in substantially said form, with such  
17          changes and insertions therein as may be necessary to carry out the intent of this  
18          Resolution and as such member, with the advice of counsel to the Authority, may  
19          approve, such approval to be conclusively evidenced by the execution and delivery  
20          thereof.
- 21          3) The proposed form of First Amendment to Trust Agreement, as presented to this  
22          meeting, is hereby approved. Any member of the Board of the Authority or the  
23          Executive Director of the Authority is hereby authorized and directed, for and on  
24          behalf of the Authority, to execute and deliver the First Amendment to Trust  
25          Agreement in substantially said form, with such changes and insertions therein as  
26          may be necessary to carry out the intent of this Resolution and as such member,  
27          with the advice of counsel to the Authority, may approve, such approval to be  
28          conclusively evidenced by the execution and delivery thereof.

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2 4) The execution and delivery of the First Amendment to Installment Sale Agreement,  
3 Second Amendment to Installment Sale Agreement and First Amendment to Trust  
4 Agreement by the Authority is subject to the condition that the Trustee have on file  
5 the written consent of the Holders of at least a majority in aggregate principal  
6 amount of the Certificates then Outstanding as required by Section 9.01 of the  
7 Trust Agreement.

8 5) The Chairman, the Vice Chairman, the Secretary, the Executive Director, the  
9 members of the Board of the Authority, and other appropriate officers and agents  
10 of the Authority are hereby authorized and directed, jointly and severally, for and in  
11 the name and on behalf of the Authority, to execute and deliver any and all  
12 documents, including, without limitation, any and all documents and certificates to  
13 be executed in connection with the execution and delivery of the First Amendment  
14 to Installment Sale Agreement, Second Amendment to Installment Sale  
15 Agreement and First Amendment to Trust Agreement, and to do any and all things  
16 and take any and all actions which may be necessary or advisable, in their  
17 discretion, to effectuate the actions which the Authority has approved in this  
18 Resolution.

19 6) All actions heretofore taken by the Chairman, Vice Chairman, Secretary, the  
20 Executive Director, members of the Board of the Authority and other appropriate  
21 officers and agents of the Authority with respect to the execution and delivery of  
22 the First Amendment to Installment Sale Agreement, Second Amendment to  
23 Installment Sale Agreement and First Amendment to Trust Agreement are hereby  
24 ratified, confirmed and approved.

25 7) This Resolution shall take effect from and after its adoption.

26 The foregoing resolution was passed and adopted by the Board of Directors of the Riverside  
27 County Public Financing Authority at a regular meeting held on the 22<sup>nd</sup> day of June, 2010.

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