

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

820



**FROM:** Executive Office

**SUBMITTAL DATE:**  
May 3, 2012

**SUBJECT:** Refunding of the County of Riverside Asset Leasing Corporation Lease Revenue Bonds 1997 series B (County of Riverside Hospital Project); District 5

**RECOMMENDED MOTION:** That the Board of Supervisors approves Resolution No. 2012-124 and the execution and delivery of the documents associated with the refunding of the County of Riverside Asset Leasing Corporation Lease Revenue Bonds 1997 series B (County of Riverside Hospital Project) to provide a savings without extending the maturity of the bonds.

**BACKGROUND:** On July 1, 1989, the County of Riverside Asset Leasing Corporation ("CORAL"), the County of Riverside ("County"), and Security Pacific National Bank, the original Trustee, entered into an Indenture of Trust to issue the CORAL Lease Revenue Bonds 1989 series A (County of Riverside Hospital Project) ("1989 Bonds") in the amount of \$200,102,532.50. Later additional series were issued, 1993 series A (\$134,535,000) & series B (\$14,525,000), to refund certain 1989 Bonds. Then in February 1997, additional bonds, 1997 series A (\$41,170,072.65) were issued for additional funds to complete the facility. In August 1997, 1997 series B (\$68,720,000) and series C (\$3,265,000) were issued to refund the remaining 1989 Bonds and providing additional funds for the completion of the Facilities.

*Christopher Hans*

Continued on page 2

Christopher Hans  
Chief Deputy County Executive Officer

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 142,500	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	No
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	2011/2012

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

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

**APPROVE**

BY: *Ed Corser*  
Ed Corser

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
BY: *Wade A. Gardner* May 7, 2012  
DALE A. GARDNER, Deputy Counsel

- Policy
- Policy
- Consent
- Consent

Dept's Recomm.:  
Per Exec. Ofc.:

**Prev. Agn. Ref.:** | **District:** 5,5 | **Agenda Number:**

**3.3**

Current market conditions allow for a successful refunding of the 1997 Series B Bonds maturing in the years 2016 and 2019, with CORAL Lease Revenue Bonds 2012 series A, in the aggregate principle amount of \$68,720,000 (the "2012 Bonds"). This can provide the County with approximately \$8 million in present value savings or 12% of the refunded par. This exceeds the Board Policy B-24 requirement of at least a 3% savings. In addition, this refunding will not extend the maturity date per that policy. All other remaining bonds are payable on a parity with the 2012 Bonds.

If approved, staff recommends issuing approximately \$68.7 million in fixed interest rate bonds.

This item has been recommended for approval by the Debt Advisory Committee and approved by the CORAL board.

1 RESOLUTION NO. 2012-124

2 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY  
3 OF RIVERSIDE AUTHORIZING EXECUTION AND DELIVERY OF A  
4 SUPPLEMENTAL INDENTURE OF TRUST NO. 8, AN AMENDMENT  
5 NO. 7 TO LEASE AND OPTION TO PURCHASE, A CONTINUING  
6 DISCLOSURE CERTIFICATE, A PURCHASE CONTRACT AND  
7 PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL  
8 STATEMENT AND AN OFFICIAL STATEMENT; EACH AND ALL  
9 RELATING TO THE COUNTY OF RIVERSIDE ASSET LEASING  
10 CORPORATION LEASE REVENUE BONDS, 2012 SERIES A (COUNTY  
11 OF RIVERSIDE CAPITAL PROJECTS) AND LEASE REVENUE  
12 BONDS, 2012 TAXABLE SERIES B (COUNTY OF RIVERSIDE  
13 CAPITAL PROJECTS).

14 WHEREAS, the County of Riverside (the "County") and County of Riverside Asset  
15 Leasing Corporation, a California nonprofit public benefit corporation (the "Corporation"), have  
16 entered into that certain Lease and Option to Purchase, dated as of July 1, 1989 (the "Original  
17 Facilities Lease"), and an Equipment Lease, dated as of July 1, 1989 (the "Original Equipment  
18 Lease"), pursuant to which the Corporation agreed to lease, upon selection of a site for the  
19 hereinafter mentioned health facilities (the "Property"), the Property and certain health facilities  
20 and equipment to be constructed thereon (collectively, the "Project") to the County in  
21 consideration for which the County agreed to make rental payments for the use and possession of  
22 the Project;

23 WHEREAS, Section 19 of the Original Facilities Lease permits the Original Facilities  
24 Lease to be amended in accordance with and as permitted by Article XI of the Indenture, as  
25 defined below;

26 WHEREAS, the County and the Corporation have previously amended and supplemented  
27 the Original Facilities Lease and propose to enter into an Amendment No. 7 to Lease and Option  
28 to Purchase (the "Seventh Facilities Lease Amendment") in order to make certain changes  
thereto;

FORM APPROVED COUNTY COUNSEL

BY DALE A. GARDNER DATE 5/7/12

1           WHEREAS, the Original Facilities Lease, as amended and supplemented, including as  
2 amended and supplemented by the Seventh Facilities Lease Amendment, is referred to  
3 hereinafter as the "Facilities Lease";  
4

5           WHEREAS, the Corporation and the County have entered into an Agency Agreement,  
6 dated as of July 1, 1989 (the "Agency Agreement"), pursuant to which the Corporation appointed  
7 the County as its agent in connection with the acquisition, construction, delivery and installation  
8 of the Project;

9           WHEREAS, the Corporation issued its Facilities Leasehold Revenue Bonds, 1989 Series  
10 A (County of Riverside Hospital Project) (the "1989 Bonds") pursuant to an Indenture of Trust,  
11 dated July 1, 1989 (the "Original Indenture"), as amended by Supplemental Indenture No. 1,  
12 dated July 1, 1989, each among the Corporation, the County and the bank identified therein as  
13 trustee (the "Trustee"), for the purpose of financing the Project for the benefit of the County;  
14

15           WHEREAS, pursuant to a Supplemental Indenture of Trust No. 2 and a Supplemental  
16 Indenture of Trust No. 3, each dated as of January 1, 1993, among the Corporation, the County  
17 and the Trustee, the Corporation issued its County of Riverside Asset Leasing Corporation  
18 Leasehold Revenue Bonds, 1993 Series A (County of Riverside Hospital Project) (the "1993A  
19 Bonds") in the aggregate principal amount of \$134,535,000 and its County of Riverside Asset  
20 Leasing Corporation Leasehold Revenue Bonds, 1993 Series B (County of Riverside Hospital  
21 Project) (the "1993B Bonds") in the aggregate principal amount of \$14,525,000, for the purpose  
22 of refunding all of the 1989 Bonds except the 1989 Term Bonds due 2019 (the "Outstanding  
23 1989 Bonds");

24           WHEREAS, pursuant to a Supplemental Indenture of Trust No. 4, dated as of February 1,  
25 1997, among the Corporation, the County and the Trustee, the Corporation issued its County of  
26 Riverside Asset Leasing Corporation Leasehold Revenue Bonds, 1997 Series A (County of  
27 Riverside Hospital Project) in the aggregate principal amount of \$41,170,072.65, for the purpose  
28

1 of providing additional funds for the completion of the Project;

2  
3 WHEREAS, pursuant to a Supplemental Indenture of Trust No. 5, dated as of August 1,  
4 1997, among the Corporation, the County and the Trustee, the Corporation issued its County of  
5 Riverside Asset Leasing Corporation Leasehold Revenue Bonds, 1997 Series B (County of  
6 Riverside Hospital Project) (the "1997B Bonds") in the aggregate principal amount of  
7 \$68,720,000 and its County of Riverside Asset Leasing Corporation Leasehold Revenue Bonds,  
8 1997 Series C (County of Riverside Hospital Project) in the aggregate principal amount of  
9 \$3,265,000, in order to provide funds to refund the Outstanding 1989 Bonds and to provide  
10 additional funds for the completion of the Project;

11  
12 WHEREAS, the Corporation, the County and the Trustee entered into a Supplemental  
13 Indenture of Trust No. 6, dated as of December 1, 1997, in connection with the substitution of  
14 the letter of credit securing the 1993B Bonds;

15  
16 WHEREAS, pursuant to a Supplemental Indenture of Trust No. 7, dated as of January 1,  
17 2003, among the Corporation, the County and the Trustee, the Corporation issued its County of  
18 Riverside Asset Leasing Corporation Leasehold Revenue Bonds, 2003 Series A (County of  
19 Riverside Hospital Project) in the aggregate principal amount of \$56,140,000 and its County of  
20 Riverside Asset Leasing Corporation Leasehold Revenue Bonds, 2003 Taxable Series B (County  
21 of Riverside Hospital Project) in the aggregate principal amount of \$4,040,000, in order to  
22 provide funds to refund a portion of the 1993A Bonds;

23  
24 WHEREAS, due to a change in the tax law shortly after the issuance of the 1989 Bonds,  
25 a portion of the costs of the refunding of the 1997B Bonds must be financed on a taxable basis  
26 and it is therefore necessary to issue a small series of taxable bonds;

27  
28 WHEREAS, the County and the Corporation propose to enter into a Supplemental  
Indenture of Trust No. 8 ("Supplemental Indenture No. 8") (the Original Indenture, as amended  
and supplemented, is referred to herein as the "Indenture") pursuant to which the Corporation

1 will issue its County of Riverside Asset Leasing Corporation Lease Revenue Bonds, 2012 Series  
2 A (County of Riverside Capital Projects) (the “2012A Bonds”) and its County of Riverside Asset  
3 Leasing Corporation Lease Revenue Bonds, 2012 Taxable Series B (County of Riverside Capital  
4 Projects) (the “2012B Bonds,” and together with the 2012A Bonds, the “2012 Bonds”), in order  
5 to provide funds to refund a portion of the 1997B Bonds; and  
6

7 WHEREAS, the County proposes to enter into a Continuing Disclosure Certificate (the  
8 “Continuing Disclosure Certificate”) for the benefit of the owners of the 2012 Bonds and in  
9 order to assist the Underwriters (as hereinafter defined) in complying with applicable rules of the  
10 Securities and Exchange Commission.

11 NOW, THEREFORE, THIS BOARD OF SUPERVISORS DOES HEREBY FIND,  
12 RESOLVE, DETERMINE AND ORDER as follows:  
13

14 Section 1. This Board of Supervisors (the “Board”) hereby finds that the above foregoing  
15 recitals are true and correct.

16 Section 2. The Board hereby authorizes and approves, and requests the Corporation to  
17 approve and authorize, the issuance and sale by the Corporation of its 2012 Bonds, to provide funds  
18 to refund a portion of the 1997B Bonds and for certain other matters related thereto, provided that the  
19 aggregate amount of the 2012A Bonds and the 2012B Bonds issued to refund the 1997B Bonds  
20 generate a net present value savings of not less than 3% of the principal amount of the refunded  
21 1997B Bonds, and the final maturity of the 2012A Bonds issued to refund the 1997B Bonds shall not  
22 be later than 9 years following their date of issuance.

23 Section 3. Supplemental Indenture No. 8 is hereby approved substantially in the form  
24 presented herewith. The County Executive Officer, the County Finance Director, the Deputy County  
25 Executive Officer and any other authorized officers of the County acting on behalf of the County  
26 Executive Officer (each an “Authorized Representative” and collectively, the “Authorized  
27 Representatives”) are, and each of them acting alone is, hereby authorized and directed, for and in the  
28 name of and on behalf of the County, to execute by manual or facsimile signature and deliver the  
Supplemental Indenture No. 8 in substantially the form presented herewith with such changes therein

1 as they may approve, in their discretion, as being in the best interests of the County, such approval to  
2 be conclusively evidenced by the execution and delivery thereof.

3       Section 4. The Seventh Facilities Lease Amendment is hereby approved substantially in the  
4 form presented herewith. The Authorized Representatives are, and each of them acting alone is,  
5 hereby authorized and directed, for and in the name of and on behalf of the County, to execute by  
6 manual or facsimile signature and deliver the Seventh Facilities Lease Amendment in substantially  
7 the form presented herewith with such changes therein as they may approve, in their discretion, as  
8 being in the best interests of the County, such approval to be conclusively evidenced by the execution  
9 and delivery thereof.

10       Section 5. The Continuing Disclosure Certificate is hereby approved substantially in the  
11 form presented herewith. The Authorized Representatives are, and each of them acting alone is,  
12 hereby authorized and directed, for and in the name of and on behalf of the County, to execute by  
13 manual or facsimile signature and deliver the Continuing Disclosure Certificate in substantially the  
14 form presented herewith with such changes therein as they may approve, in their discretion, as being  
15 in the best interests of the County, such approval to be conclusively evidenced by the execution and  
16 delivery thereof.

17       Section 6. The Authorized Representatives are, and each of them acting alone is, hereby  
18 authorized and directed, for and in the name of and on half of the County, to execute and deliver an  
19 Escrow Agreement in connection with the refunding and/or defeasance of a portion of the 1997B  
20 Bonds, with such standard terms and conditions as they may approve, in their discretion, as being in  
21 the best interest of the County, such approval to be conclusively evidenced by the execution and  
22 delivery thereof.

23       Section 7. The Purchase Contract (defined below) is hereby approved substantially in the  
24 form presented herewith. The Authorized Representatives are, and each of them acting alone is,  
25 hereby authorized and directed, for and in the name of and on behalf of the County, to execute by  
26 manual or facsimile signature and deliver a Bond Purchase Agreement relating to the 2012 Bonds (the  
27 “Purchase Contract”), by and among the County, the Corporation and the underwriters named therein  
28 (the “Underwriters”) in substantially the form presented herewith with such changes therein as they  
may approve, in their discretion, as being in the best interests of the County, such approval to be  
conclusively evidenced by the execution and delivery thereof. In connection with the execution and

1 delivery of said Purchase Contract, the officers and directors of the County are further authorized and  
2 directed to negotiate the price and the interest rates for the 2012 Bonds to be sold pursuant to such  
3 Purchase Contract; provided, that, the underwriters' discount with respect to the 2012 Bonds shall not  
4 exceed 1% of the aggregate principal amount of the 2012 Bonds.

5 Section 8. The preliminary official statement is hereby approved substantially in the form  
6 presented herewith. The Authorized Representatives are, and each of them acting alone, is hereby  
7 authorized and directed, for and in the name of and on behalf of the County, to find and determine  
8 that the information in such preliminary official statement relating to the County is, and as of its date  
9 shall be, deemed "final" for purposes of Rule 15c(2)-12 of the Securities and Exchange Commission,  
10 and such Authorized Representative is hereby authorized to execute a certificate to such effect in the  
11 customary form. The Authorized Representatives are, and each of them acting alone is, hereby  
12 authorized and directed, for and in the name of and on behalf of the County, to execute and deliver  
13 the final official statement in substantially the form of the preliminary official statement presented  
14 herewith with such changes therein as they may approve, in their discretion, as being in the best  
15 interests of the County, such approval to be conclusively evidenced by the execution and delivery  
16 thereof. The Underwriters are hereby authorized to distribute copies of the preliminary official  
17 statement and the final official statement so prepared to persons who may be interested in the  
18 purchase of the 2012 Bonds and are directed to deliver copies, which may be electronic copies, of  
19 such final official statement to all actual purchasers of the 2012 Bonds from the Underwriters acting  
20 in such capacity.

21 Section 9. The Authorized Representatives are, and each of them acting alone is, hereby  
22 authorized to take any and all actions and execute and deliver such documents as they deem necessary  
23 or advisable to carry out the purposes of this Resolution and to consummate the transactions  
24 contemplated by the documents referred to herein and all actions heretofore taken by any of them  
25 with respect to the issuance and sale of the 2012 Bonds or in connection with or related to any of the  
26 agreements referenced herein or the financing and refinancing of the Project, are hereby approved,  
27 confirmed and ratified.

28 Section 10. The Clerk of the Board shall certify to the passage of this Resolution, shall  
transmit a copy hereof to the Corporation, 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.





1 **CERTIFICATE OF CLERK**

2  
3 I, Kecia Harper-Ihem Clerk of the Board of Supervisors of the County of Riverside, do  
4 hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a  
5 regular meeting of the Board of Supervisors of the County of Riverside duly and regularly held at the  
6 regular meeting place thereof on \_\_\_\_\_, 2012, of which meeting all of the members of said  
7 Board had due notice.

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

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

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

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

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

21 WITNESS my hand and the seal of the County of Riverside this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

22  
23 \_\_\_\_\_  
24 Clerk of the Board of Supervisors

25  
26 [SEAL]