

SANTA BARBARA COUNTY

RESOLUTION NO. ____

RESOLUTION OF THE BOARD OF SUPERVISORS OF SANTA BARBARA COUNTY APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE INSTALLMENT SALE FINANCING OF FACILITIES FOR MONTECITO RETIREMENT ASSOCIATION AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the Board of Supervisors (the "Board") of Santa Barbara County, California (the "County"), as follows:

WHEREAS, Montecito Retirement Association (the "Borrower"), a nonprofit, public benefit corporation created and existing under the laws of the State of California, and operating in the County of Santa Barbara, has determined to refinance the acquisition, construction and equipping of retirement facilities located at 300 Hot Springs Road, Montecito, California, which facilities are owned and operated by the Borrower (the "Project") and, therefore, to provide for the redemption of the certificates of participation evidencing proportionate interests of the holders thereof in payments to be paid by the County from payments to be received from the Borrower, originally executed in the principal amount of \$19,310,000, of which \$13,025,000 is currently outstanding (the "2004 Certificates");

WHEREAS, the Borrower has requested the assistance of the County for the refinancing of the Project;

WHEREAS, the County is empowered by the laws of the State of California to acquire real and personal property and to dispose of the same through lease, lease-purchase or installment sale agreements, or otherwise, as may be necessary or convenient for the public purposes of the County;

WHEREAS, the County has agreed to act as conduit issuer for the Borrower to facilitate such financing;

WHEREAS, to refinance the Project and to refund the 2004 Certificates, the County and the Borrower will enter into a first installment sale agreement (the "First Installment Sale Agreement") pursuant to which the Borrower will sell certain facilities (the "Facilities") to the County and the County will agree to make purchase payments therefore;

WHEREAS, to obtain revenues to permit the County to make such payments under the First Installment Sale Agreement, the County will concurrently sell the Facilities back to the Borrower under a second installment sale agreement (the "Second Installment Sale Agreement") and the Borrower will make installment payments to the County;

WHEREAS, the County and the Borrower will each assign its respective right to receive payments under the First Installment Sale Agreement and the Second Installment Sale Agreement to Santa Barbara Bank & Trust, N.A. (the "Lender");

WHEREAS, the Lender will make an upfront payment in exchange for its right to receive the payments under the First Installment Sale Agreement and the Second Installment Sale Agreement and such amounts will be used to refinance the Project and to pay costs of issuance associated with the installment sale financing;

WHEREAS, pursuant to section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the financing must be approved by the County in order to make interest with respect to the payments made under the First Installment Sale Agreement tax-exempt because the Project is located within the territorial limits of the County;

WHEREAS, the Board is the elected legislative body of the County and is the applicable elected representative required to approve the financing under section 147(f) of the Code and must approve the financing in order to satisfy the public approval requirement of section 147(f) of the Code;

WHEREAS, pursuant to section 147(f) of the Code, the Board has, following notice duly given, held a public hearing regarding the financing and now desires to provide its approval; and

WHEREAS, it is in the public interest and for the public benefit and the benefit of the Borrower that the County authorize and direct execution of certain financing documents in connection therewith;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. The below-enumerated documents, substantially in the forms on file with the Clerk of the Board, are hereby approved and the Chair of the Board of Supervisors, the Treasurer-Tax Collector, and the designee of either (collectively the "Authorized Officers") are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the County, to execute said agreements, with such changes, insertions and omissions as may be approved by any such official, after approval by legal counsel:

- (a) the First Installment Sale Agreement;
- (b) the Second Installment Sale Agreement; and
- (c) a first assignment agreement, by and between the County and the Lender.

Section 2. Under no circumstances shall the County be required to pay or be liable for any payment or obligation associated with the agreements approved hereby from any source of County funds other than as set forth in the documents described in Section 1 of this resolution.

Section 3. The Board hereby approves the financing evidenced by the First Installment Sale Agreement and the Second Installment Sale Agreement. It is the purpose and intent of the Board that this resolution constitutes approval of the financing for the purposes of section 147(f) of the Code by the applicable elected representative of the County and the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said section 147(f).

Section 4. The Authorized Officers and other appropriate officers of the County are hereby authorized and directed to prepare and execute such other documents and certificates as may be necessary to effect the purposes of this resolution and the installment sale financing herein described.

Section 5. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 13th day of March, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

COUNTY OF SANTA BARBARA

By _____
Chair, Board of Supervisors

ATTEST:
CLERK OF THE BOARD

By _____
Deputy Clerk

APPROVED AS TO FORM
DENNIS A. MARSHALL
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By  _____
Deputy County Counsel

By  _____
Deputy