

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SANTA BARBARA APPROVING A TAX-EXEMPT BOND
FINANCING TO BE ISSUED BY THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY TO BENEFIT COVENANT RETIREMENT
COMMUNITIES, INC. AND CERTAIN AFFILIATES

WHEREAS, Covenant Retirement Communities, Inc., an Illinois not for profit corporation (the "Corporation"), has requested that the California Statewide Communities Development Authority (the "Authority") issue bonds in one or more series in an aggregate principal amount not to exceed \$40,000,000 (the "Bonds"), up to \$5,000,000 of which will be used to, among other things, finance or reimburse the cost of the acquisition, construction, remodeling, renovation and equipping (the "Financing") of certain long-term care facilities, including, without limitation, the (i) acquisition, construction, equipping, remodeling and renovation of independent living and health care facilities owned or operated by the Corporation or Covenant Retirement Communities West (d/b/a The Samarkand, Brandel Hall and The Smith Health Care Center) (the "Facilities") located in the City of Santa Barbara (the "City"), (ii) fund a debt service reserve fund if deemed necessary or advisable by the Corporation or the Authority, (iii) provide working capital to the Corporation if deemed necessary or advisable by the Corporation or the Authority, (iv) pay a portion of the interest on the Bonds if deemed necessary or advisable by the Corporation or the Authority, and (v) pay certain expenses incurred in connection with the issuance of the Bonds;

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the City because the Facilities are located within the territorial limits of the City;

WHEREAS, the City Council of the City (the "Council") is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147(f) of the Code;

WHEREAS, the Authority has requested that the Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies, including the City; and

WHEREAS, pursuant to Section 147(f) of the Code, the Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Santa Barbara as follows:

Section 1. The Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Council that this Resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Facilities are to be located, in accordance with said Section 147(f) and (b) Section 9 of the Agreement.

Section 2. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby.

Section 3. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 14th day of May, 2013.

Approved as to form:

John F. Bibby, Jr., as
Bond Counsel to the Authority

Assistant City Attorney

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Santa Barbara at a regularly scheduled meeting thereof, held on the 14th day of May, 2013 by the following vote of the Council:

AYES:

NOES:

ABSENT:

City Clerk