

Resolution No. ____

A Resolution of the Board of Directors of the Santa Barbara Financing Authority Authorizing the Execution and Delivery by the Authority of an Installment Sale Agreement, a Trust Agreement and a Letter Agreement for Purchase in Connection With the Execution and Delivery of Santa Barbara Financing Authority Waterfront Refunding Revenue Bonds, Series 2014, Authorizing the Execution and Delivery of Such Bonds in an Aggregate Amount Not to Exceed \$14,000,000, and Authorizing Related Actions

WHEREAS, the City of Santa Barbara (the “City”) and the former Redevelopment Agency of the City of Santa Barbara (the “Agency”), which Agency was on February 1, 2012, succeeded to by the Successor Agency to the Redevelopment Agency of the City of Santa Barbara, have heretofore entered into a Joint Exercise of Powers Agreement, dated as of April 1, 2002 (the “Joint Powers Agreement”), which Joint Powers Agreement creates and establishes the Santa Barbara Financing Authority (the “Authority”);

WHEREAS, in order to finance and refinance the acquisition, construction and installation of certain improvements (the “Project”) to its waterfront enterprise, the City caused to be executed and delivered the City of Santa Barbara Waterfront Revenue Refunding Certificates of Participation, Series 2002 (the “Prior Certificates”);

WHEREAS, the Prior Certificates evidence undivided proportionate interests of the owners thereof in installment payments (the “Prior Installment Payments”) to be made by the City pursuant to the an Installment Sale Agreement, dated as of July 1, 2002, by and between the City and the Authority;

WHEREAS, in order to achieve certain savings, the City desires to refinance the 2002 Project by exercising its option to prepay the Prior Installment Payments, which prepayment will be applied to the redemption of the Prior Certificates;

WHEREAS, in order to refinance the Project, the City will sell the Project to the Authority and then purchase Project from the Authority pursuant to an Installment Sale Agreement (the “Installment Sale Agreement”);

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to refinance the Project through the execution and delivery, pursuant to a Trust Agreement (the “Trust Agreement”), between U.S. Bank National Association, as trustee (the “Trustee”) and the Authority, of Santa Barbara Financing Authority Waterfront Refunding Bonds, Series 2014 (the “Bonds”), secured by the installment payments (the “Installment Payments”) payable by the City under the Installment Sale Agreement;

WHEREAS, all rights to receive the Installment Payments, and the interest thereon, will be assigned without recourse by the Authority to the Trustee pursuant to the Trust Agreement;

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee will execute and deliver the Bonds;

WHEREAS, the Authority desires to enter into a Letter Agreement for Purchase (the “Purchase Agreement”) for the Bonds with the City and Compass Mortgage Corporation (the “Purchaser”); and

WHEREAS, the Board of Directors of the Authority (the “Board”) has been presented with the form of each document referred to herein relating to the refinancing contemplated hereby, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such refinancing;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Santa Barbara Financing Authority, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. The form of Installment Sale Agreement, presented in connection with and prior to this meeting and on file with the Secretary of the Authority, is hereby approved, and the Executive Director of the Authority, the Treasurer of the Authority and the Secretary of the Authority (the “Authorized Officers”) are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute, acknowledge and deliver the Installment Sale Agreement in substantially the form presented in connection with and prior to this meeting with such changes therein as the Authorized Officer executing the same may require or approve in consultation with the Authority Counsel and Bond Counsel, which approval shall be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Installment Payments shall not exceed \$14,000,000, the final Installment Payment shall be payable no later than October 1, 2027, and there shall be net present value savings with respect to the refinancing of the Prior Certificates of at least 3%.

Section 3. The form of Trust Agreement, presented in connection with and prior to this meeting and on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute, acknowledge and deliver the Trust Agreement in substantially the form presented in connection with and prior to this meeting, with such changes therein as the Authorized Officer executing the same may require or approve in consultation with the Authority Counsel and Bond Counsel, which approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The execution and delivery of Bonds evidencing principal in an aggregate amount not to exceed \$14,000,000, payable in the years and in the amounts, and evidencing interest as specified in the Trust Agreement as finally executed, are hereby authorized and approved.

Section 5. The form of Purchase Agreement, presented in connection with and prior to this meeting and on file with the Secretary, is hereby approved, and the Authorized Officers are

each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute, acknowledge and deliver the Purchase Agreement in substantially the form presented in connection with and prior to this meeting, with such changes therein as the Authorized Officers executing the same may require or approve in consultation with Authority Counsel and Bond Counsel, which approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 8. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara Financing Authority at a regular meeting of said Board on December 10, 2013, by the following vote of said Board:

Ayes:

Noes:

Absent:

Abstain:

Chairperson of the Board of Directors

ATTEST:

Secretary

CERTIFICATE OF SECRETARY

I, the undersigned Secretary of the Santa Barbara Financing Authority, do hereby certify as follows:

That the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of the Santa Barbara Financing Authority duly held on December 10, 2013, of which meeting all of the members of the Board of Directors of said Authority had due notice and at which a quorum was present.

That an agenda of said meeting was posted at least 72 hours before said meeting at 740 Anacapa Street, Santa Barbara, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

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

Dated: _____, 2013

Secretary