

RESOLUTION NO. 2010-07

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRASS VALLEY, CALIFORNIA, REGARDING APPROVAL OF THE ISSUANCE OF REVENUE BONDS BY THE ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS TO FINANCE AND REFINANCE THE ACQUISITION AND CONSTRUCTION OF CAPITAL IMPROVEMENTS FOR, AND ADDITIONS TO, A SENIOR RESIDENTIAL AND CARE FACILITY OWNED BY ESKATON VILLAGE – GRASS VALLEY

WHEREAS, the ABAG Finance Authority For Nonprofit Corporations, a joint exercise of powers agency established under the laws of the State of California (the “Authority”), has proposed to issue and sell its revenue bonds in an aggregate principal amount not to exceed \$40,000,000 (the “Bonds”) for the purpose of making a loan to finance and refinance the acquisition and construction of capital improvements for, and additions to, a senior residential and care facility (the “Project”), located in the City of Grass Valley at 625 Eskaton Circle, Grass Valley, California 95945 (commonly known as Eskaton Village – Grass Valley); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the “Code”) the issuance of the Bonds must be approved by the City of Grass Valley because the Project is located within the territorial limits of the City; and

WHEREAS, this City Council is the elected legislative body of the City of Grass Valley (the “City”) and is the applicable elected representative required to approve the financing and the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the City of Grass Valley will not be a party to any of the financing documents nor will the name of the City of Grass Valley appear on any of the disclosure documents relating to this transaction; and

WHEREAS, the issuance of the Bonds will not affect the credit rating of the City of Grass Valley; and

WHEREAS, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the Clerk of the City Council provided for the timely publication of a Notice of Public Hearing, to the effect that a public hearing would be held at 7:00 p.m. in the Council Chambers of Grass Valley City Hall at 125 East Main, Grass Valley, California 95945 on February 9, 2010, regarding the issuance of the Bonds and the nature and the location of the Project, a copy of which is attached hereto;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GRASS VALLEY RESOLVES AS FOLLOWS:

Section 1. Recitals. This City Council does hereby find and declare that the above referenced recitals are true and correct.

Section 2. Public Hearing. Pursuant to Section 147(f) of the Code, the City of Grass

Valley held a public hearing on February 9, 2010 and provided an opportunity to present arguments both for and against the issuance of the Bonds and the nature and location of the Project. This City Council has further considered all testimony and comments submitted in connection with the issuance of the Bonds and the nature and location of the Project at the public hearing.

Section 3. Approval of Bond Issue. After consideration of comments received at the public hearing, the City Council hereby approves the issuance of the Bonds and the operation of the Authority within the City to provide financing or refinancing of the Project. It is the purpose and intent of the City that this Resolution constitutes approval of the Bonds by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located in accordance with Section 147(f) of the Code. In adopting this resolution, it is the intent of the City Council that neither the faith and credit nor the taxing power of the City of Grass Valley is pledged to the payment of the principal of or interest on the Bonds.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

Section 5. Certification by the Clerk. The Clerk of the City Council shall certify to the adoption of this Resolution.

PASSED AND ADOPTED as a Resolution of the City Council of the City of Grass Valley at a regular meeting thereof held on the 9th day of February, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lisa Swathout, Mayor

APPROVED AS TO FORM:

ATTEST:

Ruthann Ziegler, City Attorney

Kristi Bashor, City Clerk