

COUNTY OF SANTA BARBARA, CALIFORNIA
2011-2012 TAX AND REVENUE ANTICIPATION NOTES
SERIES A

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the County of Santa Barbara (the “County”) in connection with the issuance of \$ _____ aggregate principal amount of County of Santa Barbara 2011-2012 Tax And Revenue Anticipation Notes, Series A (the “Notes”). The Notes are being issued pursuant to a resolution (the “Resolution”) adopted by the Board of Supervisors of the County on _____, 2011. The County covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Holders and in order to assist E. J. De La Rosa & Co., Inc. (the “Underwriter”) in complying with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Notes (including persons holding Notes through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the County, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“Holder” shall mean the person in whose name any Notes shall be registered.

“Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

“Participating Underwriters” shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with the offering of the Notes.

“Quarterly Report” means any Quarterly Report of the County provided by the County pursuant to and as described in Section 3 of this Certificate.

“Repository” shall mean the MSRB.

Deleted:

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Quarterly Reports.

(a) The County shall, not later than 40 days after the end of the fiscal quarters ending September 30, 2011, December 31, 2011 and March 31, 2012, make available on the County website copies of the Quarterly Report of the County, which is consistent with the requirements of subsection (b) below. Each Quarterly Report may include by reference other information as required by this Certificate.

(b) The County’s Quarterly Report shall contain or include by reference information regarding the County’s cash flow in the fiscal quarter most recently ended, including comparative information to the projected cash flow included in the Official Statement.

Section 4. Reporting of Significant Events.

(a) The County shall give or cause to be given, notice of the occurrence of any of the following events with respect to the Note not later than 10 business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Note, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 4(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Notes or other material events affecting the tax status of the Notes;

2. Modifications to rights of Note holders;

3. Optional, unscheduled or contingent Note calls;

4. Release, substitution, or sale of property securing repayment of the Notes;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The County shall give, or cause to be given, in a timely manner, notice of a failure to provide the Quarterly Reports on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the County obtains knowledge of the occurrence of a Listed Event described Section 4(b), the County shall determine if such event would be material under applicable federal securities laws.

(e) If the County learns of the occurrence of a Listed Event described in Section 4(a), or determines that knowledge of a Listed Event described in Section 4(b) would be material

under applicable federal securities laws, the County shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Note pursuant to the Resolution.

(f) If the Dissemination Agent has been instructed by the County to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB. Notwithstanding the foregoing:

(i) Notice of the occurrence of a Listed Event described in subsections (a)(1), (4) or (5) shall be given by the Dissemination Agent unless the County gives the Dissemination Agent affirmative instructions not to disclose such occurrence; and

(ii) Notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of the affected Note pursuant to the Resolution.

Section 5. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 6. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is no designated Dissemination Agent appointed by the County, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the County shall be the Dissemination Agent and undertake or assume its obligations hereunder.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment requested by the County, provided the Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations), and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities law, acceptable to the County and the Dissemination Agent, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event,

in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 9. Default. In the event of a failure of the County or the Dissemination Agent to comply with any provision of this Disclosure Certificate, the Dissemination Agent may, and, at the request of any Participating Underwriter or the Owners of at least 25% of the aggregate principal amount of the outstanding Notes, shall (but only to the extent funds in any amount satisfactory to the Dissemination Agent have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges whatsoever related thereto, including without limitation, fees and expenses of its attorneys), or any Note owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution and the sole remedy under this Disclosure Certificate in the event of any failure of the County or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Underwriter and Holders, from time to time of the Notes, and shall create no rights in any other person or entity.

Dated: _____, 2011

COUNTY OF SANTA BARBARA

By: _____

Title: _____

APPROVED AS TO FORM:

Dennis Marshall, County Counsel

By _____

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: County of Santa Barbara

Name of Issue: \$_____ 2011-2012 Tax and Revenue Anticipation Notes, Series A

Date of Issuance: _____, 2011

NOTICE IS HEREBY GIVEN that the above named Issuer has not provided the Notice of Material Events with respect to the above named Notes as required by Section 3(a) of the Continuing Disclosure Certificate dated _____, 2011. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

[ISSUER/DISSEMINATION AGENT]

By: _____