

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

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| IN THE MATTER OF AUTHORIZING THE) EXECUTION AND DELIVERY OF A 2018) INSTALLMENT PURCHASE CONTRACT, A) TRUST AGREEMENT AND A CONTRACT) OF PURCHASE; APPROVING EXECUTION) OF AN ASSIGNMENT AGREEMENT AND) CERTIFICATES OF PARTICIPATION TO) FINANCE CERTAIN CAPITAL) IMPROVEMENTS TO THE SOLID WASTE) SYSTEM; APPROVING AN OFFICIAL) STATEMENT FOR SAID CERTIFICATES OF) PARTICIPATION; AUTHORIZING THE) EXECUTION AND DELIVERY OF A) CONTINUING DISCLOSURE AGREEMENT;) AND AUTHORIZING CERTAIN OTHER) ACTIONS IN CONNECTION WITH THE) FINANCING) | RESOLUTION NO. ____ |
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WHEREAS, the County of Santa Barbara, a political subdivision duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “County”), adopted Resolution No. 16-304 on December 13, 2016 (the “Prior Resolution”) approving various agreements in connection with the financing of capital improvements to the solid waste system of the County (the “Project”); and

WHEREAS, following the adoption of the Prior Resolution, the County discovered certain jurisdictional issues with the California Coastal Commission (the “Commission”) that required changes to the location of the Project and delayed the financing of the Project; and

WHEREAS, the jurisdictional issues with the Commission that prevented moving forward with the financing have been resolved; and

WHEREAS, the Santa Barbara County Finance Corporation, Inc. (the “Corporation”), has agreed or will agree to assist the County in financing the Project by entering into a 2018 Installment Purchase Contract (the “Installment Purchase Contract”); and

WHEREAS, rights to installment payments payable by the County pursuant to the Installment Purchase Contract will be evidenced by certificates of participation (the “Certificates”, and collectively with the Installment Purchase Contract, the “Certificate Financing”); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the Certificate Financing is required to be approved prior to its issuance by the applicable elected representative of the governmental unit issuing the Certificate Financing and by each governmental unit having jurisdiction over the area in which any facility financed by the Certificate Financing is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the interest on the Certificate Financing may qualify for exclusion from gross income under Section 103 of the Internal Revenue Code of 1986 (the "Code"), only if the Certificate Financing is approved in accordance with Section 147(f) of the Code; and

WHEREAS, the facilities financed by the Certificate Financing are located wholly within the County; and

WHEREAS, the Board of Supervisors is the elected legislative body of the County and is the applicable elected representative of the County within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the Board of Supervisors has, following notice duly given, held a public hearing on October 16, 2018 regarding the issuance of the Certificate Financing, and now desires to approve the Certificate Financing; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the County is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, be it resolved by the Board of Supervisors of the County of Santa Barbara as follows:

SECTION 1. The County hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the County and that the statements, findings and determinations of the County set forth above and in the preambles of the documents approved herein are true and correct. It is the purpose and intent of the Board of Supervisors that this Resolution constitutes approval of the Certificate Financing by the applicable elected representative of the issuer of the Certificate Financing and the applicable elected representative of the governmental unit having jurisdiction over the area in which the facilities financed by the Certificate Financing are located, in accordance with Section 147(f) of the Code.

SECTION 2. The County hereby authorizes the execution and delivery of Certificates of Participation (the "Certificates"), in one or more series or subseries, for the purpose of financing certain capital projects. The Certificates may be tax-exempt or taxable. The aggregate principal amount of the Certificates shall not exceed \$180,000,000.

SECTION 3. The form of the 2018 Installment Purchase Contract (the "Installment Purchase Contract"), between the County and the Corporation, presented to this meeting and on file with the Clerk of the Board of Supervisors of the County, is hereby approved. The Chair of the Board of Supervisors, the County Executive Officer, the Treasurer of the County and the Auditor-Controller of the County (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, acknowledge and deliver to the Corporation the Installment Purchase Contract in substantially said form, with such changes therein (including, but not limited to, any changes as may be necessary to obtain municipal bond insurance and/or a reserve fund surety or insurance authorized pursuant to Section 9 hereof) as such officer may require or approve with the consent of County Counsel of the County ("County Counsel"), such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. The form of the trust agreement (the "Trust Agreement"), among the Corporation, the County and U.S. Bank National Association, as trustee (the "Trustee"), presented to this meeting and on file with the Clerk of the Board of Supervisors of the County, is hereby approved. 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, acknowledge and deliver to the Corporation and the Trustee the Trust Agreement in substantially said form, with such changes therein (including, but not limited to, any changes as may be necessary to obtain municipal bond insurance and/or a reserve fund surety or insurance authorized pursuant to Section 9 hereof) as such officer may require or approve with the consent of County Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. The form of the Contract of Purchase (the "Contract of Purchase") among the County, the Corporation and Raymond James & Associates, Inc., Stifel Nicolaus & Company, Incorporated and Citigroup Global Markets Inc. (collectively, the "Underwriters"), presented to this meeting and on file with the Clerk of the Board of Supervisors of the County, for the sale of the Certificates, is hereby approved. The Treasurer of the County or his designee is hereby authorized and directed to negotiate with the Underwriters the final terms of such Contract of Purchase, which may include bond insurance and/or a reserve fund surety or insurance, provided that the aggregate principal amount of the Certificates shall not exceed \$180,000,000; the true interest cost with respect to the Certificates shall not exceed 5.5%; the term of the Installment Purchase Contract shall not exceed 25 years; and the underwriting discount (exclusive of original issue discount) shall not exceed 0.50% of the aggregate principal amount of the Certificates. If such final terms are acceptable to the Treasurer of the County or his designee, the Treasurer of the County or his designee is hereby authorized and directed, for and in the name of and on behalf of the County, to accept the offer of the Underwriters to purchase the Certificates contained in, and to execute and deliver, a Contract of Purchase in substantially said form containing such final terms, approval of such final terms to be conclusively evidenced by the execution of said Contract of Purchase.

SECTION 6. The Assignment Agreement, in substantially the form presented to this meeting and on file with the Clerk of the Board of Supervisors of the County (the "Assignment Agreement"), between the Corporation and the Trustee, is hereby approved.

SECTION 7. The form of preliminary official statement (the "Preliminary Official Statement"), presented to this meeting and on file with the Clerk of this Board of Supervisors, is hereby approved. The Underwriters are hereby authorized to distribute a preliminary official statement in substantially said form, with such changes, updates and completion of information as the Underwriters and County may approve, to persons who may be interested in the purchase of the Certificates. The Authorized Officers are, and each of them acting alone is, hereby authorized, for and in the name and on behalf of the County, (1) to execute and deliver to the Underwriters a certificate or certificates, in a form acceptable to County Counsel, to the effect that the preliminary official statement and the final official statement hereinafter mentioned are deemed final as of their respective dates for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934 and (2) to execute a final official statement, in substantially the form of said preliminary official statement, with such insertions and changes therein as such officer executing the same may require or approve with the advice of County Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by such officer. The Underwriters are hereby directed to deliver a copy of said final official statement (as finally executed, the "Official Statement") to all actual purchasers of the Certificates authorized hereby.

SECTION 8. The form of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), by and between the County and the Trustee (as dissemination agent), presented to this meeting and on file with the Clerk of the Board of Supervisors of the County, is hereby approved. 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, acknowledge and deliver the Continuing Disclosure Agreement in substantially said form, with such changes therein as such officer may require or approve with the consent of County Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 9. The Treasurer of the County is hereby authorized and directed to negotiate with municipal bond insurance companies, and, if the Treasurer determines that it is in the best financial interests of the County, to purchase bond insurance and/or a reserve fund surety or insurance for the Certificates on such terms as the Treasurer determines are appropriate.

SECTION 10. The Clerk of the Board of Supervisors of the County is hereby authorized and directed to attest the signature of the Authorized Officers or other officials of the County and to affix and attest the seal of the County as may be required or appropriate in connection with the execution and delivery of the Installment Purchase Contract, the Assignment Agreement, the Trust Agreement, the Contract of Purchase, the Continuing Disclosure Agreement and the Official Statement.

SECTION 11. The Board of Supervisors acknowledges and understands that the same attorney(s) within County Counsel may represent and advise both the County and the Corporation regarding financings and applicable documents, and waives any potential or actual conflicts of interest arising therefrom.

SECTION 12. The officers of the County 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 may deem necessary or advisable in order to consummate the sale, execution and delivery of the Certificates by the Trustee and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Certificates, the Installment Purchase Contract, the Trust Agreement, the Contract of Purchase, the Assignment Agreement, the Continuing Disclosure Agreement and the Official Statement, including but not limited to entering into municipal insurance agreements and/or reserve fund reimbursement agreements. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

SECTION 13. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 16th day of October, 2018, by the following

vote:

AYES:

NOES:

ABSENT:

Chair of the Board of Supervisors

[SEAL]

ATTEST:

Mona Miyasato,
Clerk of the Board of Supervisors

**APPROVED AS TO ACCOUNTING
FORM:**

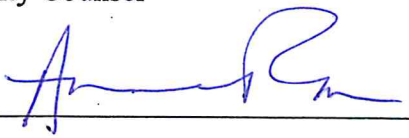
Theodore Fallati, C.P.A.,
Auditor-Controller

By _____

By  _____

APPROVED AS TO FORM:

Michael C. Ghizzoni,
County Counsel

By  _____