

Appendix I
PACE Program

October 18, 2009

Policy Framework for PACE Financing Programs

The following Policy Framework has been developed by the White House and the relevant agencies as a policy framework for Property Assessed Clean Energy (PACE) financing programs. Today, the Vice President is announcing support for the use of federal funds for pilot programs of PACE financing to overcome barriers for families who wish to invest in energy efficiency and renewable energy improvements.

The innovative PACE approach attaches the obligation to repay the cost of improvements to the property, not the individual borrower, creating a way to pay for the improvements if the property is sold. This Policy Framework provides important safeguards for the relevant parties, including homeowners and mortgage lenders. The Policy Framework applies to federal funding of PACE programs and also is designed to serve as a resource for state, local, and tribal governments who seek to carry out PACE activities without federal funding.

The Department of Energy (DOE) is announcing funding for model PACE projects, which will incorporate this Policy Framework's principles for PACE program design. Under the State Energy Program, DOE has received approximately \$80 million of applications for PACE-type programs to provide upfront capital. Additional PACE programs are encouraged through a Funding Opportunity Announcement, released today, for competitive grants under the Energy Efficiency Conservation Block Grant Program. These pilot programs will be accompanied by a significant research effort, so that the federal government can assess the efficacy of PACE as a funding source for energy retrofits and evaluate the effectiveness of the homeowner and lender protections set forth in this Policy Framework.

The Promise of PACE Financing

By making energy efficiency investments easier, less expensive, and more effective, PACE can help to increase the amount invested in energy efficiency. Specifically, PACE programs streamline financing of energy efficiency investments in three key ways. First, property assessments provide a secure, well-established payback mechanism that will lead to lower borrowing costs. The security of the payback mechanism often makes it possible for PACE financing to be offered with no money down requirement. Second, the economies of scale from making PACE financing available to a large group of borrowers can reduce overhead and transaction costs. Finally, effective administration of PACE programs at the local-government level will create more consumer confidence in the economic value of energy efficiency investments.

PACE Financing Initiatives: Overview

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Land-secured financing districts (also known as special tax or special assessment districts) are a familiar tool in municipal finance. In a typical assessment district a local government issues bonds to fund projects with a public purpose such as streetlights, sewer systems or underground utility lines. Property owners that benefit from the improvement then repay the bond through property assessments, secured by a property lien and paid as a part of the property taxes.

If appropriately designed and implemented, extension of this finance model to energy improvements may allow property owners to pay for efficient enhancements with expected monthly payments that are less than expected utility bill savings.

How it works

This local-government energy financing structure would allow property owners to “opt-in” to attach up to 100% of the cost of energy improvements to their property tax bill. In the event of nonpayment of the assessment, the local government has the ability to foreclose on the delinquent property in the same manner as for nonpayment of taxes, or it may choose to wait for another party to initiate foreclosure. Importantly, as a protection for mortgage lenders on the property, liability for the assessment in foreclosures should be limited to any amount in arrears at that time, and the full costs of the improvement are not accelerated or due in full. The assessment runs with the property at law and successor owners are responsible for remaining balances.

Tying payment to the property solves credit and collateral issues for energy efficiency and renewable energy loans, reduces up-front costs to a minimum payment or zero, and allows for both the payment and the value of the retrofit to be transferred from one owner to the next. Local governments should establish a reserve fund to backstop late assessment payments, helping assure that investors in energy efficiency and renewable energy loans are paid on time. The use of reserve funds also reduces risk to the first mortgage lender and other private lien-holders, because initial losses to those who fund energy efficient and renewable energy loans are paid out of the reserve fund. Municipalities could also share this risk with contractors through a variety of conditional contract mechanisms.

In certain settings, an alternative financing approach would be for homeowners to pay for energy improvement retrofits through their utility bills. There is value going forward in evaluating these different mechanisms and discovering where each may be most effective. Results may vary geographically or with the market role of local utilities.

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Existing PACE Programs

PACE programs that are planned or underway include: Albuquerque, NM; Athens, OH; Austin, TX; Babylon, NY; Berkeley, CA (which pioneered the concept); Boulder, CO; Palm Desert, CA; San Diego, CA; San Francisco, CA; and Santa Fe, NM; and at the state level in California, Connecticut, Maryland, Oregon, Texas, Vermont, Virginia, and Wisconsin. If only 15 percent of residential property owners nationwide took advantage of clean energy community financing, the resulting emissions reductions would contribute 4 percent of the savings needed for the U.S. to reach 1990 emissions levels by 2020. Over time, with appropriate policy development that addresses the interests of the various stakeholders, including the definition of allowable energy efficiency and renewable energy investments, it may also be possible to extend the model to multifamily housing and commercial buildings.

Implementation: The Federal Role

As states and local governments have implemented PACE programs, they have begun to develop practices for homeowner and lender protection. Federal funding using ARRA resources provides an opportunity to encourage innovation and improvement in the PACE financing model. A federal role to encourage PACE pilot programs will facilitate the collection of data, objectively measure and evaluate the performance of PACE programs, and speed the adoption of more uniform and universal best practices that include robust and effective homeowner and lender protections.

Clear home improvement standards, accompanying federal and other public funds, will address the risk of substandard home improvements and improve overall contractor quality. For both homeowners and lenders, the programs should be structured to address risks that could arise given that property tax assessments under PACE usually take priority over private liens in the event of foreclosure. Where appropriate, conditions will be placed on DOE's ARRA funding to address these homeowner and lender concerns.

Research on Pilot Programs

PACE collaborations offer a unique opportunity for the federal government to coordinate and aggregate much-needed, program-specific data such as energy consumption and savings obtainable, investment cash flows achievable, effects on property valuation, risks associated with community-financed retrofit programs, and the effects of new homeowner and mortgage lender protections. Where possible, research can also assess benefits from PACE programs such as reductions to greenhouse gases and economic impacts on community spending and job creation. Utility bills from before and after a retrofit are crucial for measuring energy savings, and support from utilities will be important in providing this information, subject to appropriate privacy safeguards.

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As an integral part of Federal support for pilot PACE programs, the Department of Energy will support substantial research about key aspects of PACE programs, including: the energy and financial returns of energy efficiency and renewable energy retrofits; the effectiveness of homeowner protections; and the effectiveness of safeguards for mortgage and energy lenders.

Funding

Under the State Energy Program, DOE has received approximately \$80 million of applications that could potentially use a PACE financing structure, out of \$3.2 billion in total funding. The Department of Energy is also issuing a Funding Opportunity Announcement of \$454 million under its Competitive Energy Efficiency and Conservation Block Grant program. This "Retrofit Ramp-Up" program will pioneer innovative models, including PACE loans, for rolling out energy efficiency to hundreds of thousands of homes and businesses in a variety of communities. In the Funding Opportunity Announcement, DOE encourages applications for PACE programs, which would be implemented consistent with this Policy Framework and contribute to research efforts about the effectiveness of such programs.

Challenges

As discussed above, federal agencies can play an important role in developing and publicizing measures that address important homeowner and lender protection issues. The Office of Management and Budget will work with the National Economic Council and key federal agencies on additional guidance (not formal rulemaking) for federal grant programs that fund PACE programs. Because PACE programs are still quite new, such as the new federally-funded pilots, best practices may evolve rapidly, and so some aspects of today's Policy Framework may not apply in all situations.

Homeowner Protection

Effective consumer protection is a crucial first line of defense against defaults that would harm both homeowners and lenders. PACE programs should help assure that energy retrofits are designed to pay for themselves within a reasonable period, and that homeowners are protected against fraud or substandard work.

1. *Savings to Investment Ratio.* As has long been the case for DOE's single-family weatherization program, the "savings to investment ratio" for PACE program assessments should be greater than one. This "pay for itself" principle means that the expected average monthly utility savings to homeowners should be greater than the expected monthly increase in tax assessments due to the PACE energy efficiency or renewable energy

improvements. Improvements should be made where there is a positive net present value, so that expected total utility bill savings are estimated to be greater than expected total costs (principal plus interest). In some instances, tax credits or other subsidies are available to support investments. If so, then the present value of the expected savings to consumers should be greater than the present value of the increase in assessments once those subsidies are included.

2. *Financing Should be for High-Value Investments.* Financing should be limited to investments that have a high return in terms of energy efficiency gains. In some cases, investments can be limited to a set of projects that have well-documented efficiency gains for most houses in a climate zone, such as sealing ducts or installing insulation. In other cases, investments will be based on the results of an authorized energy audit that identifies the energy efficiency gains for a particular house for a particular retrofit. Ensuring that loans are made for these high-value investments will protect homebuyers and mortgage lenders, and maximize the impact of PACE on improving energy efficiency.
3. *Assuring that the Retrofit is Constructed as Intended.* First, the scope of the retrofit should be determined by a list of presumptively-efficient projects or based on an energy audit, conducted by a qualified auditor or inspector. Second, validly licensed contractors or installers should do the actual home improvements. Third, there should be an after-the-fact quality assurance program. Qualified raters should do reviews upon completion, for the portion of houses needed to assure program quality, to assure that correct work was performed and is up to standards. If the property owner or local government administering the contract is not satisfied with a retrofit or if the follow-up rating shows that the work was not completed in a commercially reasonable manner, the contractor should be required to fix the work. If that does not solve the problem, then just as with any construction project, payment to the contractor can be withheld until such a time as the work is done satisfactorily or the homeowner can seek other redress. In circumstances where a project is not completed to standards, the contractor should be disqualified from further work under the PACE program – a strong incentive to complete work correctly.

This approach provides important incentives and safeguards for all of the relevant parties. For homeowners, the “pay for itself” principle assures that the expected savings exceed the investment, and the protections afforded for proper projects and work address concerns about inappropriate or substandard work. For mortgage and other lenders, these safeguards reduce the risk that overly-expensive, substandard, or uneconomic projects will be undertaken, protecting the value of the house that serves as collateral for the loan.

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Furthermore, PACE programs must comply with applicable federal and state consumer laws and include adequate disclosures to and training for homeowners participating in the program. For instance, local governments implementing PACE programs must disclose the risks to participating property owners, including risks related to the default and foreclosure that could result from failure to pay assessments. Along with training and certification standards to be established by DOE and the Department of Housing and Urban Development (HUD), effective anti-fraud measures should be implemented. To avoid “copy cat” programs that offer PACE-like programs without these protections, local, state and federal consumer protection enforcement agencies should target mortgage fraud scams and “copy cat” programs.

Lender and Borrower Protection

If poorly designed, PACE programs could increase risk to mortgage lenders, which in turn could lead to higher interest rates for homeowners. Because local property taxes usually take priority over private liens, including mortgages, mortgage lenders face an increased risk of non-payment if a PACE borrower becomes delinquent on payment.

Because of the importance of the housing finance market, and the need to understand and address any risks posed to homeowners and mortgage lenders, the federal government is supporting PACE loans at this time at the pilot and demonstration level. Federal agencies including DOE, HUD, and Treasury have worked together to understand how best to encourage energy efficiency and renewable energy loans while also creating effective rules and practices to prevent losses in the mortgage market. Over time, a variety of approaches might best address the need to ensure a well-functioning mortgage market by protecting the rights of pre-existing lien holders, perhaps including a national-level guarantee fund alongside or in place of local government-level reserve funds. Experience with pilot PACE programs can inform policy in the longer-term.

As noted earlier, effective consumer protection is a crucial first line of defense against default. The “pay for itself” test also helps lenders, because the long-term value of the house may well be improved by energy efficiency investments that make living in the house more affordable. Additional protections come from the year-by-year nature of the property tax lien if a borrower defaults. For instance, if a homeowner defaults on an eight-year assessment after two years, in most programs only any unpaid property taxes would be collected to cure the default, not the remaining six year balance. This benefit of PACE financing, which should be standard in all PACE programs, is that the entire amount financed will not be accelerated, understanding, however, that the additional tax burden may impact the property value upon default. Another important protection is that the scope of home efficiency enhancements paid through property taxes is limited – property taxes would not be expanded to uses other

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than energy improvements to the home that have a savings-to-investment ratio of greater than one.

Beginning immediately, this Policy Framework supports additional measures to further limit risk to mortgage lenders:

1. *Assessment Reserve Fund.* A reserve fund should be established at the local-government level, to protect the energy investor against late payment or non-payment of the assessment. This reserve fund means that the value of mortgage lenders' collateral should not be reduced by any failure by the homeowner to pay the PACE assessment.
2. *Length of Time.* The length of time for a homeowner to repay the PACE assessments should not exceed the life expectancy of the energy efficient improvements.
3. *Size of Financing Relative to the House Value.* As a general matter, PACE assessments should not exceed a certain percentage of appraised value of the home, generally 10%.
4. *Clear title.* Applicants must prove they are the legal owners of a property, unanimous approval of property-holders is required, and the title should be clear of easements or subordination agreements that conflict with the assessment.
5. *PACE Financing only where no current default.* Participation in the program should not be allowed unless: (i) property taxes are current; (ii) no outstanding and unsatisfied tax liens are on the property; (iii) there are no notices of default or other evidence of property-based debt delinquency for the lesser of the past three years or the property owner's period of ownership; and (iv) the property is current on all mortgage debt.
6. *No Negative Equity Financing.* PACE loans to borrowers who are "underwater" – whose mortgage and other debt on the property is greater than the current value of the house – raise particular risks because such loans are especially likely to default with less than full payment to private lienholders. PACE programs should require a current estimate of appraised value, and outstanding property-based debt cannot be less than the value of the property.
7. *Vulnerable Areas.* Local governments should be cautious in using the PACE model in areas experiencing large home price declines, where large numbers of "underwater" loans may exist. PACE programs in such areas should proceed only after careful attention to local real estate conditions and programmatic safeguards to avoid contributing to additional borrower defaults.

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8. *Escrow.* To reduce the risk of non-payment of property assessments, homeowners should escrow payments for PACE programs in the common situations where they already escrow other property tax assessments.

Conclusion

As the innovative PACE programs proceed, state and local governments should work closely with federal agencies to collect and aggregate performance data on the efficacy of consumer and lender safeguards, as well as energy efficiency and renewable energy results, to ensure constant improvement and wide scale program success.

In sum, PACE programs have the potential to increase the accessibility and affordability of energy saving measures, consequently lowering energy bills to residents and reducing the environmental footprints of participating localities. If programs are not properly constructed, however, the programs could potentially create risk for homeowners and lenders. Adoption of best practices, including strong contracting standards in the selection of those doing the retrofits, will help deliver the type of market transformation we need to see retrofitting scale up and achieve our goals. Existing programs have taken steps to design property and project criteria for eligibility, as well as quality assurance measures, that mitigate risk without unnecessarily limiting accessibility. Going forward, reporting to the Department of Energy about the performance of these programs will be important as feedback to improve these innovative programs over time. PACE programs should be conformed and tied to well understood, national scale procedures that will improve the quality and quantity of retrofits, and reduce costs.

Appendix II

Recovery through Retrofit

Recovery *Through* Retrofit

OCTOBER 2009

MIDDLE CLASS TASK FORCE

COUNCIL ON ENVIRONMENTAL QUALITY



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Executive Summary

Making American homes and buildings more energy efficient presents an unprecedented opportunity for communities throughout the country. The Recovery Through Retrofit Report builds on investments made in the American Recovery and Reinvestment Act of 2009 (Recovery Act) to expand the home energy efficiency and retrofit market. Home retrofits can potentially help people earn money, as home retrofit workers, while also helping them save money, by lowering their utility bills. By encouraging nationwide weatherization of homes, workers of all skill levels will be trained, engaged, and will participate in ramping up a national home retrofit market.

There are almost 130 million homes in this country. Combined, they generate more than 20 percent of our nation's carbon dioxide emissions, making them a significant contributor to global climate change. Existing techniques and technologies in energy efficiency retrofitting can reduce home energy use by up to 40 percent per home and lower associated greenhouse gas emissions by up to 160 million metric tons annually by the year 2020. Furthermore, home energy efficiency retrofits have the potential to reduce home energy bills by \$21 billion annually, paying for themselves over time.

By implementing Recovery Through Retrofit's recommendations, the Federal Government will lay the groundwork for a self-sustaining home energy efficiency retrofit industry. This Report provides a roadmap of how the Federal Government can use existing authorities and funds to unlock private capital and mobilize our communities.

Barriers to a National Retrofit Market

Despite the economic and environmental benefits of improving home energy efficiency, a series of barriers have prevented a self-sustaining retrofit market from forming, including:

1. **Access to Information:** Consumers do not have access to straightforward and reliable information on home energy retrofits that they need to make informed decisions.
2. **Access to Financing:** Homeowners face high upfront costs and many are concerned that they will be prevented from recouping the value of their investment if they choose to sell their home. The upfront costs of home retrofit projects are often beyond the average homeowner's budget.
3. **Access to Skilled Workers:** There are currently not enough skilled workers and green entrepreneurs to expand weatherization and efficiency retrofit programs on a national scale.

Recommendations Summary

The Recovery Act provides a unique opportunity to address these barriers. The Recovery Act allocates about \$80 billion to projects related to energy and the environment, and much of this money is targeted toward improving the energy efficiency in buildings, both Federal and non-Federal. Under the Recovery Act, state and local governments have an unprecedented opportunity to expand investments in energy retrofits and develop community-based programs on a large scale. These investments will put our country on a path to real reductions in greenhouse gases, and contribute to the economic recovery our country needs. The recommendations and actions in this Report have been carefully designed by eleven Departments and Agencies and six White House Offices to ensure that the energy efficiency market will thrive long after the Recovery Act money is fully spent.

By coordinating Recovery Act funds, Federal Departments and Agencies and resources; through building strong partnerships with states and local communities; and by targeting government policy changes, a foundation for self-sustaining energy efficiency retrofit market will be built. Through implementation of the Recovery Through Retrofit recommendations, the Federal Government will leverage private capital, streamline the retrofitting process, and reduce energy costs for homeowners.

Provide American Homeowners with Straightforward and Reliable Home Energy Retrofit Information

Develop Energy Performance Label for Homes

We propose to do for homes what ENERGY STAR[®] has done for appliances, helping consumers identify energy efficient products. New homes can already earn the ENERGY STAR[®] label – but no such label is available for existing homes. The Department of Energy and the Environmental Protection Agency are working together to develop an energy performance label for these homes. The end result will be an easily recognizable benchmark that energy auditors, retrofitters, lenders, realtors, and consumers can use to compare home energy performance and identify the most energy efficient homes.

Develop a National Home Energy Performance Measure

Before we can develop an energy performance label for existing homes, we must establish a standardized home energy performance measure applicable to every home in America. This measure will make it much easier for consumers to understand how much they can save by retrofitting their home. It will also give lenders the information they need to work with homeowners who are looking to invest in home energy improvements.

Reduce High Upfront Costs and Make it Easy for Homeowners to Borrow Money for Home Energy Retrofits

Support Municipal Energy Financing

Property tax or municipal energy financing allows the costs of retrofits to be added to a homeowner's property tax bill, with monthly payments generally lower than utility bill savings. This arrangement attaches the costs of the energy retrofit to the property, not the individual, eliminating uncertainty about

recovering the cost of the improvements if the property is sold. Federal Departments and Agencies will work in partnership with state and local governments to establish standardized underwriting criteria and safeguards to protect consumers and minimize financial risks to the homeowners and mortgage lenders. The Department of Energy will support model financing programs to provide much needed upfront capital utilizing Recovery Act funding provided for the Department's Energy Efficiency Conservation Block Grant and State Energy Programs.

Improve Energy Efficient Mortgages

Expanding the use of Energy Efficient Mortgages will simplify the process of obtaining and financing energy retrofits at a home's point of sale. This effort will also work to lower the cost of home energy audits as well as the monthly financing payments, and ensure that retrofits are accurately valued in the appraisal process. Federal Departments and Agencies will work collaboratively to: advance a standard home energy performance measure and more uniform underwriting procedures; develop procedures for more accurate home energy appraisals; and streamline the energy audit process.

Expand State Revolving Loan Funds

Expanding state revolving loan funds from 16 states to all 50 states will leverage private capital and achieve economies of scale necessary to produce consistent and affordable loan products. This will allow consumers to borrow money for home energy retrofits from private firms at lower interest rates. In addition to funding new programs through the Recovery Act, the Federal Government will work to provide examples of successful revolving loan programs and technical assistance to states without revolving loan programs in order to encourage their adoption.

Mobilize a Well-Trained National Energy Retrofit Workforce and Expand Good, Green Job Opportunities for All American Workers

Establish National Workforce Certifications and Training Standards

A uniform set of national standards to qualify energy efficiency and retrofit workers and industry training providers will establish the foundation of consumer confidence that work will be completed correctly and produce the expected energy savings and benefits. Consistent high-level national standards will spur the utilization of qualified training providers that offer career-track programs for people of all skill levels, promote and expand green jobs opportunities, and facilitate the mobilization of a national home retrofit workforce. Federal Departments and Agencies (including the Department of Labor, the Department of Energy, the Department of Housing and Urban Development, and the Environmental Protection Agency) will work in collaboration to assess existing standards and training programs and develop consistent models, guides, and best practices for training and certification. The Department of Education, the Department of Commerce, and the Small Business Administration will assist in implementing the best practices developed by the other Departments and Agencies.

These recommendations do not involve spending large new sums of Federal dollars in our fiscally-constrained environment. Rather, they focus on removing information barriers, transaction costs,

liquidity constraints, and other market failures that often prevent homeowners from making investments that have both private and social benefits.

Moving Forward

To ensure that the recommendations in this Report are implemented, CEQ will convene an interagency Energy Retrofit Working Group, which will be chaired by the Department of Energy, the Department of Housing and Urban Development, the Department of Agriculture, the Department of Labor, and the Environmental Protection Agency. In addition to implementing the recommendations and proposed actions of this Recovery Through Retrofit effort, the Working Group will track its progress and operate as the single point of contact for the successful implementation of this effort. Within thirty days, the Working Group will submit an implementation plan to the Vice President. Additional strategies will also be developed to expand the retrofit market to rental housing. Moreover, the Working Group will report to the Vice President regularly on its progress towards implementing each of the recommendations identified in this Report.

Introduction

On Tuesday, May 26, 2009, at a Middle Class Task Force meeting, Vice President Biden charged the White House Council on Environmental Quality (CEQ) with developing a proposal for Federal action that will grow green job opportunities and boost energy savings by retrofitting homes for energy efficiency. In response to this charge, CEQ has facilitated an interagency process with the Office of the Vice President to develop this Report—involving eleven Departments and Agencies and six White House Offices. This Report contains a set of recommendations for specific Federal actions, which address the market and non-market barriers that have prevented the home retrofit market from achieving national-scale. The following Departments and Agencies contributed to this Report and participated in drafting the recommendations:

- Office of the Vice President
- Department of Agriculture
- Department of Commerce
- Department of Education
- Department of Energy
- Department of Housing and Urban Development
- Department of Labor
- Department of Treasury
- Environmental Protection Agency
- Equal Employment Opportunity Commission
- General Services Administration
- Small Business Administration
- Executive Office of the President
 - Council of Economic Advisers
 - Domestic Policy Council
 - National Economic Council
 - Office of Management and Budget
 - Office of Public Engagement and Intergovernmental Affairs
 - Office of Science and Technology Policy

A Strategic Plan for Recovery Through Retrofit

Market Barrier 1: Consumers need reliable home retrofitting information to make informed decisions

Consistent, accessible, and trusted information is a critical element to building a robust, energy efficient home retrofit market in the United States. This information must provide consumers with a reliable benchmark for energy efficiency and sound estimates of the costs and benefits of home energy retrofits. Currently, there are a variety of energy performance rating tools in the home retrofit market, each one supplying different information and performance predictions. The lack of a standard rating causes great confusion for consumers. Without some level of standardization combined with an effort to increase recognition and awareness, energy efficiency retrofits will likely remain a niche product, keeping consumer demand low and investors out of the market.

Solution 1: We must provide straightforward and credible information to American homeowners on the costs and benefits of home energy retrofits

The Federal Government already promotes an energy efficiency measure that helps consumers save money by identifying appliances and other household products that use less energy. The ENERGY STAR® program is a proven solution that has helped to revolutionize the market for cost-effective, energy efficient products. With the help of ENERGY STAR® Americans saved \$19 billion on their utility bills last year. We propose to do for homes what ENERGY STAR® has done for appliances so homeowners know that retrofits will bring their home to a recognized and trusted standard of energy efficiency and home buyers, lenders, and realtors have an easy way to understand the energy performance of homes. To get there, we must take two steps:

Develop Energy Performance Label for Homes

When consumers see the ENERGY STAR® label on a dishwasher or a refrigerator, they know they are getting an energy efficient product and they can take the savings into account as they decide what to purchase. New homes can qualify for an ENERGY STAR® label but there is no similar label for existing homes that have undergone retrofits. The Federal Government will develop a home performance label for existing homes. The label will be based on the national home energy performance measure described below, and it will be developed in partnership with industry leaders, realtors, and efficiency advocates to promote widespread adoption. The end result will be an easily recognizable benchmark that auditors, retrofitters, lenders, realtors, and consumers can use to compare home energy performance and identify the most efficient homes.

The new home performance label should be accompanied by a national marketing campaign to increase consumer awareness and expand the demand for home energy retrofits. This campaign should build on the marketing that Federal Government already does in conjunction with the ENERGY STAR® label on products and the Home Performance with ENERGY STAR® program for whole-home retrofits. The national marketing campaign will help homeowners find reliable sources of information on how to improve their homes and quality, skilled contractors to do the work.

Develop a Standardized Home Energy Performance Measure

We cannot develop an energy performance label for existing homes without first developing a standardized home energy performance measure that is applicable to every home in America. The measure will make it much easier for consumers to understand how much they can save by investing in retrofitting. A uniform and nationally-recognized measure could be incorporated in home appraisals at the point of sale and utilized in energy retrofit transactions, which would spur new interest in the retrofit industry from large-scale suppliers and institutional lenders.

The Department of Energy (DOE) is currently working with the Department of Housing and Urban Development (HUD), the Environmental Protection Agency (EPA) and other Agencies to design a standard energy performance measure and related tools to meet this need. The Federal Housing Administration (FHA) will work to link the new energy performance measure to its redesigned Energy

Efficient Mortgage products. DOE will promote adoption of a national energy performance measure through its advisory role to States and will encourage the use of a common national standard.

Market Barrier 2: The costs of home retrofit projects are beyond the average homeowner's budget

High upfront costs and a lack of credit and financing options dissuade many homeowners from completing or even considering energy efficiency home retrofits. Many homeowners are understandably concerned with how to fund these key improvements. The Recovery Act began to address these issues by extending and expanding a 30% tax credit for investment in residential energy efficiency property, up to a cap of \$1,500 per primary residence over 2 years. Other existing financing tools, while successful in some local markets, have not succeeded in making significant inroads in the market at large. Because home buyers lack information about the payoffs associated with increasing a home's energy efficiency and because the industry does not properly incentivize retrofits that pay-off over long periods of time, homeowners often do not recoup the actual value of their energy efficiency investments when they sell. The solution is to make financing more transparent, more accessible, repayable over a longer time period, and overall, more consumer-friendly.

Solution 2: We must make it easy for homeowners to identify and access home energy retrofit financing tools and products

Today, the Recovery Act is already making it easier for homeowners to access home energy retrofit financing. A number of states are currently leveraging the Department of Energy's Recovery Act funds to support long lasting job creation and the deployment of renewable energy and energy efficiency technologies. For example, the State Energy Program (SEP) offers states the opportunity to encourage renewable energy and energy efficiency projects through their state's financing mechanisms, such as revolving loan funds. For example, Kansas plans on spending over \$34 million to establish a low-interest revolving loan fund to finance cost-effective energy efficiency improvements in homes and small commercial and industrial buildings. In addition, Nebraska plans on spending \$11 million to create a revolving loan fund to provide low-interest financing to deploy energy efficient building technologies to the residential, public, commercial and industrial building sectors. Lastly, Florida plans on spending \$10 million to create a low-interest solar loan program that will provide capital to deploy commercially available solar water heaters to Florida residents. These are just a few examples of how Recovery Act funding is currently creating green jobs and reducing greenhouse gas emissions, at the state level.

Support Municipal Energy Financing

The high turnover rate of housing in the United States has proven to be a significant problem when it comes to financing home retrofits. The debt accrued by a retrofit is tied to the individual making the investment, rather than the home itself, even though the savings are passed on to the next owner of the home. This means that retrofits frequently don't pay for themselves before the homeowner who took the initiative moves. As a result, people are less inclined to invest in home retrofitting. In recent years, a number of innovative financing mechanisms have been implemented by municipalities that permit property owners to request financing for energy retrofits or renewable energy systems secured by a special tax assessment on the property. These mechanisms tie the retrofitting loan to the property instead of the individual, permitting the energy retrofit assessment to be paid off in annual installments as part of the property's usual property tax bill.

The Property Assessed Clean Energy (PACE) financing programs enable the costs for energy efficiency retrofits to be added to an owner's property tax bill as part of a municipal property tax assessment, which takes the same priority as traditional property tax liens and assessments.

PACE programs are designed to overcome several barriers that may otherwise impede property owners from making energy investments. These barriers include: (1) limited access to capital; (2) high transaction costs; (3) lack of information on the part of home buyers that leads them to undervalue efficiency investments; and (4) potential downstream home sale, all of which may dissuade property owners from taking on debt that might not be fully recovered by energy savings before the property is sold.

PACE programs address these barriers by providing access to capital that might be otherwise limited to homeowners. PACE provides beneficial financial terms, streamlines the application process with lower application and transaction fees relative to other lending options, and establishes a financing mechanism in which that debt obligation is tied to the property and the owners receiving the energy savings benefits.

Along with the exciting potential of PACE programs for energy retrofits, homeowners and mortgage lenders can encounter certain risks if the programs are not implemented correctly. Building on the expertise of the Federal Government, the Department of Energy, the Department of Housing and Urban Development, and the Department of the Treasury will announce new principles for PACE program design. Moving forward, Federal Agencies will work in partnership with state and local governments to establish standardized underwriting criteria and safeguards to protect consumers and minimize financial risks to homeowners and mortgage lenders.

A Federal role to encourage PACE pilot programs will also facilitate the collection of data, objectively measure and evaluate the performance of PACE programs, and speed the adoption of more detailed, uniform "Best Practices" that include robust and effective homeowner and lender protections. Further research can then assess the efficacy of PACE programs, including the cost-effectiveness of energy retrofits, reductions in greenhouse gases, and economic impacts on community spending and green job creation.

DOE will be funding model PACE projects, which will incorporate the new principles for PACE program design. Under the State Energy Program, DOE has received approximately \$80 million of applications for PACE-type programs to provide upfront capital, out of nearly \$3.1 billion in total funding available. Smaller PACE-like programs may also be funded through the Energy Efficiency Conservation Block Grant Programs. Funding at these levels will encourage pilots of PACE programs, with more developed homeowner and lender protections than have been provided to date.

Improve Energy Efficient Mortgages

Energy Efficient Mortgages (EEMs) enable home buyers and homeowners refinancing their properties to add energy efficiency upgrades and improvements to their properties as part of the underlying mortgage financing transaction. This permits the energy retrofits to be financed over a longer period of time, with lower monthly payments. Energy improvements are typically identified as part of a Home Energy Rating or energy audit and must be cost effective, generating energy savings that are equal to or greater than the costs of the improvements over the useful life of the improvement.

Historically, there have been significant barriers to widespread utilization of Energy Efficient Mortgages. A four-part solution is proposed to expand and increase the effectiveness of Energy Efficient Mortgages:

1. To lower transaction costs, EPA and DOE will advance a standard home energy performance measure that can be used to easily rate the energy performance of a home;
2. Federal Agencies will work with the home energy rating and home performance industries, as well as states, municipalities and utilities to streamline the energy audit and the home energy ratings process, and expand consumer education and lender awareness of the product;
3. To the extent feasible, HUD will work with Fannie Mae and Freddie Mac to establish uniform procedures for Energy Efficient Mortgage products; and
4. Federal Agencies will work with the home appraisal industry to develop procedures for appraisals to more accurately reflect energy efficiency.

These enhancements are aimed at boosting the volume of Energy Efficient Mortgages. States, cities, or counties can also use their Recovery Act funds to provide credit enhancements and implement other initiatives to boost EEMs.

Expand State Revolving Loan Funds

A Revolving Loan Fund is a funding mechanism that enables loans to be provided to pay for an energy retrofit project's upfront capital costs. Once the energy retrofit is completed, the principal and interest on the loan, along with any financed transaction costs, are paid from the energy savings generated from the project. As energy retrofit loans are paid off, the funds are constantly "revolving" – being used, earned back, and reinvested, thus sustaining the fund over time.

Revolving Loan Funds for energy efficiency retrofits in homes already exist in 16 states. However, they are presently too diverse for private sector suppliers, installers, retail lenders and secondary loan markets to realize economies of scale, which would lower transaction costs. Conforming efficiency loans will be required to bring down capital costs and create sustainable secondary loan funding. Such conforming measures should require: (1) similar loan lengths up to 15 years, so monthly payments are greatly reduced; (2) standard approved products linked to ENERGY STAR®; (3) common procedures with product tiers installed in logical order, linked via Home Performance with ENERGY STAR®; and (4) standardized home energy performance measures and data protocols, so that both loan performance and retrofit performance can be measured accurately over time.

The Federal Government will also work to encourage the development of revolving loan funds in all 50 states. State revolving loan funds produce consistent and affordable loan products, allowing consumers to borrow money for home energy retrofits at lower interest rates. These efforts will create reliable, easy to close, unsecured loan products in every jurisdiction and mobilize private sector funds and achieve economies of scale in installation costs, transaction costs, and persuasive marketing efforts. In order to encourage development of state revolving loan funds in all 50 states, the Department of Energy will also provide technical assistance to states without revolving loan programs in order to encourage their adoption. Finally, existing funding through the Recovery Act can be used to expand current and create new revolving loan fund programs throughout the country.

Market Barrier 3: Increase the number of skilled workers and green entrepreneurs to successfully expand efficiency retrofit programs on a national-scale

To achieve the desired scale of efficient and healthy home retrofits, a sizable increase in the number of well-trained green retrofit workers is needed. Many states and localities are looking for guidance and information on how to both streamline and rapidly expand quality training opportunities for those looking to enter the home energy retrofit industry. Furthermore, there is no clear guideline or standard to assure consumers of the quality of the work being done on their home. A consistent set of standards will increase consumer confidence in energy retrofit workers, promote good green job opportunities and training opportunities for people of all skill levels, and facilitate the mobilization of a national home retrofit workforce.

In addition, a lack of business skills training has been a barrier to the widespread success of efficiency retrofits programs. Business skills training and business development must therefore be a key component of any large-scale efficiency retrofit workforce capacity development initiative to ensure that a commercially viable effort can be maintained by small- and medium-sized businesses in the open market over the long-term. Developing a workforce equipped with both technical and business skills will improve the rate of success for small efficiency retrofit businesses and increase the ability to respond to rising retrofit demand. This will enable sustained economic and green job growth while achieving further energy savings and healthy homes.

Solution 3: Mobilize a skilled national energy retrofit workforce and expand good, green job opportunities for all American workers

Develop Consistent Workforce Certifications and Training Standards

To rapidly expand retrofit capacity, a national effort is needed to conclusively identify required job skills upon which certification standards will be based, and develop standard training goals or methods. The availability of model training programs based around best practices will lower the barriers to entry for programs needed to train workers, allowing an expanded offering of quality training opportunities. The widespread adoption of model training approaches will also facilitate the development of a well-trained workforce across the country, which will improve energy and environmental outcomes, enable worker mobility, and enhance career opportunities. In addition, as outlined in the *Surgeon General's Call to Action To Promote Healthy Homes*,^[1] healthy and environmentally friendly housing education should be incorporated in weatherization training programs. Proper certification and training standards will ensure that retrofitted homes are healthy homes.

To facilitate consistent, high-quality training of a green retrofit workforce, the Federal Government will:

1. Advance a nationally recognized worker certification standard for comprehensive training that provides evidence that a worker is well qualified to properly complete efficiency and healthy home retrofits.
2. Promote a nationally recognized training accreditation standard to enable students to identify trainers with a demonstrated capacity to provide quality instruction.
3. Develop and deploy model training programs for workers, including pre-apprenticeship and other programs that serve as onramps for lower skilled workers, provide clear pathways to career track jobs, and assist training providers in ramping up training capacity efficiently and effectively.
4. Leverage existing workplace training, labor management partnerships, and other public-private partnerships and the local presence of Federal Agencies in communities to link workforce training to job opportunities.
5. Provide business development support and business skills training to improve the rate of success for small efficiency retrofit businesses and to engage both small businesses and larger contractors in entering the retrofit market to build an industry at scale. This support should also include a focus on making sure small businesses and minority and/or women owned businesses have a seat at the table.

To ensure that efficiency retrofit training programs translate into thriving efficiency retrofit businesses, the Federal Government will use its resources to make business skills a critical component of efficiency retrofit training. By combining industry-specific business skills training with industry-specific jobs skills training, the Federal Government can help provide a steady stream of skilled retrofit workers, and a steady stream of healthy small and medium-sized retrofit businesses ready to hire these workers.

^[1] For the full report, see: <http://www.surgeongeneral.gov/topics/healthyhomes/index.html>

Federal Departments and Agencies, including: the Department of Labor, the Department of Energy, the Department of Housing and Urban Development, and the Environmental Protection Agency will work in collaboration to assess existing standards and training programs and develop consistent models, guides, and best practices for training and certification. The Department of Education, the Department of Commerce, and the Small Business Administration will assist in implementing the best practices developed by the other Departments and Agencies.

Implementation

CEQ will convene an interagency Energy Retrofit Working Group chaired by the Department of Energy, Department of Housing and Urban Development, Department of Agriculture, the Department of Labor, and the Environmental Protection Agency, to implement the recommendations and proposed actions of this Recovery Through Retrofit effort and track its progress. The Working Group will operate as the single point of contact for the successful implementation of this effort. Within thirty days, the Working Group will submit an implementation plan to the Vice President. In addition, the Working Group will report to the Vice President regularly on the progress towards implementing each of the recommendations identified in this Report. Additional strategies will also be developed to expand the retrofit market to rental housing.

Further, Federal Agencies will collaborate with local communities to test business models and develop best practices for encouraging energy efficiency programs that address the three key market failures identified in this Report.

Conclusion

Coordinated and principled Federal actions, like those described in this Report, in partnership with states, cities, counties, and the existing home energy industry, may be able to tackle the challenges faced by the current retrofit market. These recommendations can pave the way for a self-sustaining retrofit market, a market that can reliably cut energy bills while also creating good green jobs and saving consumers money. We can build on the foundation of the Recovery Act to jumpstart a thriving, private market for energy efficient and healthy home retrofitting that will put thousands of people back to work while also reducing our impact on the environment.

Appendix III

Financing Alternatives

APPENDIX III

FINANCING ALTERNATIVES

- | | |
|------------------------|--|
| Alternative A1 | Base Case, Taxable Assessment Bonds BBB rated, no County credit support. |
| Alternative A2 | Base Case with cash funded debt service reserve fund. |
| Alternative B1 | Base Case enhanced with County “moral obligation” to achieve A3 ratings. |
| Alternative C1 | Base Case enhanced with County general obligation COP appropriation pledge to achieve A1 ratings. |
| Alternative C1a | Base Case enhanced by Federal loan guarantee program to achieve an AAA rating. |
| Alternative D1 | Five-year notes sold to County Treasury Investment Pool, at 7.0% rate. |
| Alternative E1 | Qualified Energy Conservation Bonds with taxable tail to cover reserve fund and capitalized interest, rated BBB. |

Alternative A1

**Base Case, Taxable Assessment Bonds
BBB rated, no County credit support.**

SOURCES AND USES OF FUNDS

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	18,230,000.00
<hr/>	
	18,230,000.00
<hr/> <hr/>	

Uses:

<hr/>	
Project Fund Deposits:	
Project Fund	15,000,000.00
Other Fund Deposits:	
Capitalized Interest	766,560.38
Debt Service Reserve Fund	<u>1,823,000.00</u>
	2,589,560.38
Delivery Date Expenses:	
Cost of Issuance	638,050.00
Other Uses of Funds:	
Additional Proceeds	2,389.62
<hr/>	
	18,230,000.00
<hr/> <hr/>	

Notes:

Preliminary, Subject to Change
Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND SUMMARY STATISTICS

**County of Santa Barbara
Series of 2011 Taxable Assessment Bonds**

Dated Date	03/01/2011
Delivery Date	03/01/2011
Last Maturity	05/01/2026
Arbitrage Yield	7.097209%
True Interest Cost (TIC)	7.097209%
Net Interest Cost (NIC)	7.186182%
All-In TIC	7.647927%
Average Coupon	7.186182%
Average Life (years)	9.406
Duration of Issue (years)	6.756
Par Amount	18,230,000.00
Bond Proceeds	18,230,000.00
Total Interest	12,321,667.92
Net Interest	12,321,667.92
Total Debt Service	30,551,667.92
Maximum Annual Debt Service	2,039,340.50
Average Annual Debt Service	2,014,395.69
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	18,230,000.00	100.000	7.186%	9.406	11,648.85
	18,230,000.00			9.406	11,648.85

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

	TIC	All-In TIC	Arbitrage Yield
Par Value	18,230,000.00	18,230,000.00	18,230,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(638,050.00)	
- Other Amounts			
Target Value	18,230,000.00	17,591,950.00	18,230,000.00
Target Date	03/01/2011	03/01/2011	03/01/2011
Yield	7.097209%	7.647927%	7.097209%

Notes:

Preliminary, Subject to Change
Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND PRICING

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	05/01/2012	615,000	3.710%	3.710%	100.000
	05/01/2013	845,000	4.110%	4.110%	100.000
	05/01/2014	880,000	4.680%	4.680%	100.000
	05/01/2015	920,000	5.240%	5.240%	100.000
	05/01/2016	965,000	5.700%	5.700%	100.000
	05/01/2017	1,020,000	6.070%	6.070%	100.000
	05/01/2018	1,085,000	6.400%	6.400%	100.000
	05/01/2019	1,155,000	6.730%	6.730%	100.000
	05/01/2020	1,230,000	7.000%	7.000%	100.000
	05/01/2021	1,315,000	7.210%	7.210%	100.000
	05/01/2022	1,410,000	7.380%	7.380%	100.000
	05/01/2023	1,515,000	7.510%	7.510%	100.000
	05/01/2024	1,630,000	7.620%	7.620%	100.000
	05/01/2025	1,755,000	7.720%	7.720%	100.000
	05/01/2026	1,890,000	7.800%	7.800%	100.000
		18,230,000			

Dated Date	03/01/2011	
Delivery Date	03/01/2011	
First Coupon	11/01/2011	
Par Amount	18,230,000.00	
Original Issue Discount		
Production	18,230,000.00	100.000000%
Underwriter's Discount		
Purchase Price	18,230,000.00	100.000000%
Accrued Interest		
Net Proceeds	18,230,000.00	

BOND PRICING

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 3.5% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Date	Debt Service	Present Value to 03/01/2011 @ 7.0972091%
11/01/2011	811,257.67	774,402.03
05/01/2012	1,223,443.25	1,127,839.35
11/01/2012	597,035.00	531,519.20
05/01/2013	1,442,035.00	1,239,797.38
11/01/2013	579,670.25	481,295.36
05/01/2014	1,459,670.25	1,170,418.48
11/01/2014	559,078.25	432,927.09
05/01/2015	1,479,078.25	1,106,086.43
11/01/2015	534,974.25	386,355.00
05/01/2016	1,499,974.25	1,046,148.20
11/01/2016	507,471.75	341,803.91
05/01/2017	1,527,471.75	993,559.99
11/01/2017	476,514.75	299,331.90
05/01/2018	1,561,514.75	947,280.29
11/01/2018	441,794.75	258,826.48
05/01/2019	1,596,794.75	903,426.87
11/01/2019	402,929.00	220,154.81
05/01/2020	1,632,929.00	861,633.76
11/01/2020	359,879.00	183,386.63
05/01/2021	1,674,879.00	824,233.65
11/01/2021	312,473.25	148,503.09
05/01/2022	1,722,473.25	790,552.82
11/01/2022	260,444.25	115,438.04
05/01/2023	1,775,444.25	759,970.86
11/01/2023	203,556.00	84,145.24
05/01/2024	1,833,556.00	731,973.87
11/01/2024	141,453.00	54,534.25
05/01/2025	1,896,453.00	706,081.75
11/01/2025	73,710.00	26,503.00
05/01/2026	1,963,710.00	681,870.26
	30,551,667.92	18,230,000.00

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Proceeds Summary

Delivery date	03/01/2011
Par Value	18,230,000.00
	<hr/>
Target for yield calculation	18,230,000.00

Notes:

Preliminary, Subject to Change
Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Dated Date 03/01/2011
Delivery Date 03/01/2011

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	05/01/2012	615,000.00	3.710%	100.000	615,000.00	615,000.00
	05/01/2013	845,000.00	4.110%	100.000	845,000.00	845,000.00
	05/01/2014	880,000.00	4.680%	100.000	880,000.00	880,000.00
	05/01/2015	920,000.00	5.240%	100.000	920,000.00	920,000.00
	05/01/2016	965,000.00	5.700%	100.000	965,000.00	965,000.00
	05/01/2017	1,020,000.00	6.070%	100.000	1,020,000.00	1,020,000.00
	05/01/2018	1,085,000.00	6.400%	100.000	1,085,000.00	1,085,000.00
	05/01/2019	1,155,000.00	6.730%	100.000	1,155,000.00	1,155,000.00
	05/01/2020	1,230,000.00	7.000%	100.000	1,230,000.00	1,230,000.00
	05/01/2021	1,315,000.00	7.210%	100.000	1,315,000.00	1,315,000.00
	05/01/2022	1,410,000.00	7.380%	100.000	1,410,000.00	1,410,000.00
	05/01/2023	1,515,000.00	7.510%	100.000	1,515,000.00	1,515,000.00
	05/01/2024	1,630,000.00	7.620%	100.000	1,630,000.00	1,630,000.00
	05/01/2025	1,755,000.00	7.720%	100.000	1,755,000.00	1,755,000.00
	05/01/2026	1,890,000.00	7.800%	100.000	1,890,000.00	1,890,000.00
		18,230,000.00			18,230,000.00	18,230,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	05/01/2026	7.800%	1,890,000.00	1,890,000.00			
Entire Issue			18,230,000.00	18,230,000.00	9.4056	7.0972%	7.1862%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	638,050.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	1,823,000.00

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 3.5% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Date	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest	Net Debt Service
11/01/2011	811,257.67		811,257.67	
05/01/2012	1,223,443.25	32,449.40		1,190,993.85
11/01/2012	597,035.00	32,449.40		564,585.60
05/01/2013	1,442,035.00	32,449.40		1,409,585.60
11/01/2013	579,670.25	32,449.40		547,220.85
05/01/2014	1,459,670.25	32,449.40		1,427,220.85
11/01/2014	559,078.25	32,449.40		526,628.85
05/01/2015	1,479,078.25	32,449.40		1,446,628.85
11/01/2015	534,974.25	32,449.40		502,524.85
05/01/2016	1,499,974.25	32,449.40		1,467,524.85
11/01/2016	507,471.75	32,449.40		475,022.35
05/01/2017	1,527,471.75	32,449.40		1,495,022.35
11/01/2017	476,514.75	32,449.40		444,065.35
05/01/2018	1,561,514.75	32,449.40		1,529,065.35
11/01/2018	441,794.75	32,449.40		409,345.35
05/01/2019	1,596,794.75	32,449.40		1,564,345.35
11/01/2019	402,929.00	32,449.40		370,479.60
05/01/2020	1,632,929.00	32,449.40		1,600,479.60
11/01/2020	359,879.00	32,449.40		327,429.60
05/01/2021	1,674,879.00	32,449.40		1,642,429.60
11/01/2021	312,473.25	32,449.40		280,023.85
05/01/2022	1,722,473.25	32,449.40		1,690,023.85
11/01/2022	260,444.25	32,449.40		227,994.85
05/01/2023	1,775,444.25	32,449.40		1,742,994.85
11/01/2023	203,556.00	32,449.40		171,106.60
05/01/2024	1,833,556.00	32,449.40		1,801,106.60
11/01/2024	141,453.00	32,449.40		109,003.60
05/01/2025	1,896,453.00	32,449.40		1,864,003.60
11/01/2025	73,710.00	32,449.40		41,260.60
05/01/2026	1,963,710.00	1,855,449.40		108,260.60
	30,551,667.92	2,764,032.60	811,257.67	26,976,377.65

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 3.5% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 3.56%	Principal	Capitalized Interest	Debt Service	Balance
03/01/2011	1,823,000					1,823,000
05/01/2011		10,816.47		(10,816.47)		1,823,000
11/01/2011		32,449.40		(32,449.40)		1,823,000
05/01/2012		32,449.40			(32,449.40)	1,823,000
11/01/2012		32,449.40			(32,449.40)	1,823,000
05/01/2013		32,449.40			(32,449.40)	1,823,000
11/01/2013		32,449.40			(32,449.40)	1,823,000
05/01/2014		32,449.40			(32,449.40)	1,823,000
11/01/2014		32,449.40			(32,449.40)	1,823,000
05/01/2015		32,449.40			(32,449.40)	1,823,000
11/01/2015		32,449.40			(32,449.40)	1,823,000
05/01/2016		32,449.40			(32,449.40)	1,823,000
11/01/2016		32,449.40			(32,449.40)	1,823,000
05/01/2017		32,449.40			(32,449.40)	1,823,000
11/01/2017		32,449.40			(32,449.40)	1,823,000
05/01/2018		32,449.40			(32,449.40)	1,823,000
11/01/2018		32,449.40			(32,449.40)	1,823,000
05/01/2019		32,449.40			(32,449.40)	1,823,000
11/01/2019		32,449.40			(32,449.40)	1,823,000
05/01/2020		32,449.40			(32,449.40)	1,823,000
11/01/2020		32,449.40			(32,449.40)	1,823,000
05/01/2021		32,449.40			(32,449.40)	1,823,000
11/01/2021		32,449.40			(32,449.40)	1,823,000
05/01/2022		32,449.40			(32,449.40)	1,823,000
11/01/2022		32,449.40			(32,449.40)	1,823,000
05/01/2023		32,449.40			(32,449.40)	1,823,000
11/01/2023		32,449.40			(32,449.40)	1,823,000
05/01/2024		32,449.40			(32,449.40)	1,823,000
11/01/2024		32,449.40			(32,449.40)	1,823,000
05/01/2025		32,449.40			(32,449.40)	1,823,000
11/01/2025		32,449.40			(32,449.40)	1,823,000
05/01/2026		32,449.40	1,823,000		(1,855,449.40)	
	1,823,000	984,298.47	1,823,000	(43,265.87)	(2,764,032.60)	

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Yield To Receipt Date:	3.5602977%
Arbitrage Yield:	7.0972091%
Value of Negative Arbitrage:	592,959.94

Notes:

Preliminary, Subject to Change
Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

CAPITALIZED INTEREST FUND

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds

Capitalized Interest (CAPI)

Date	Deposit	Interest @ 0.28%	Principal	Debt Service Reserve Fund	Scheduled Draws	Balance
03/01/2011	766,560.38					766,560.38
05/01/2011		357.73	(11,174.20)	10,816.47		777,734.58
11/01/2011		1,073.69	777,734.58	32,449.40	811,257.67	
	766,560.38	1,431.42	766,560.38	43,265.87	811,257.67	

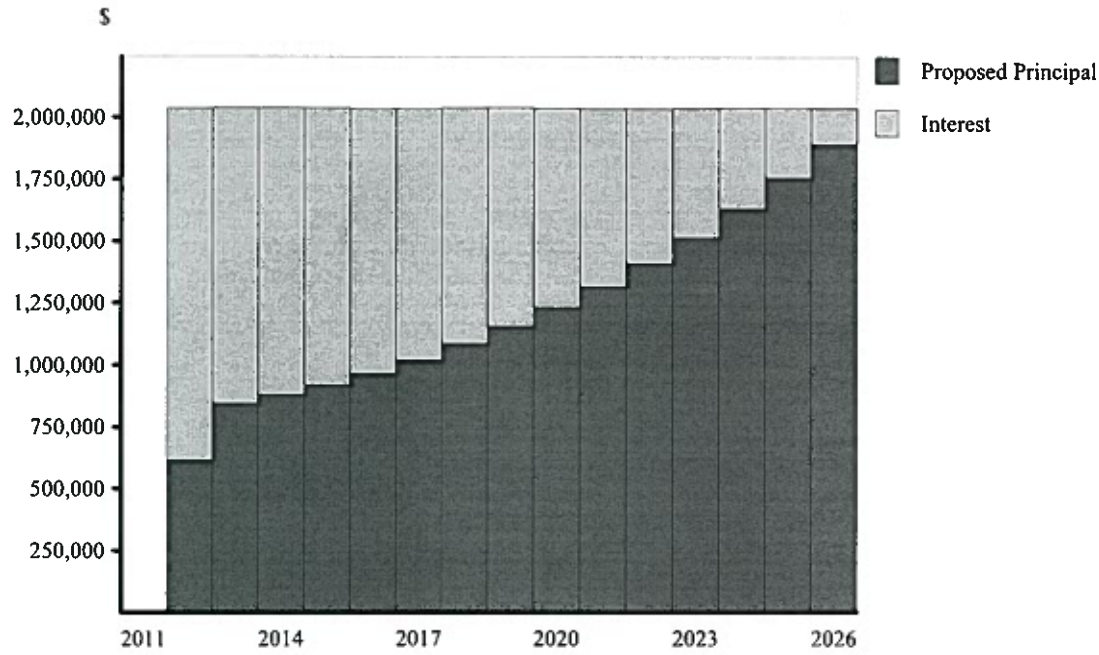
Yield To Receipt Date: 0.2742323%
Arbitrage Yield: 7.0972091%
Value of Negative Arbitrage: 34,191.43

Notes:

Preliminary, Subject to Change
Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND SOLUTION CHART

County of Santa Barbara
Series of 2011 Taxable Assessment Bonds



Notes:
 Preliminary, Subject to Change
 Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
 Total Costs of Issuance are 3.5% of total par (COI + UD)
 Capitalized Interest through 11/1/2010
 Debt Service Reserve Fund sized using Lesser of 3 Test

Alternative A2

Base Case with cash funded debt service reserve fund.

SOURCES AND USES OF FUNDS

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Sources:

Bond Proceeds:	
Par Amount	16,255,000.00
Other Sources of Funds:	
Equity Contribution for Debt Service Reserve Fund	1,625,500.00
	<hr/> 17,880,500.00

Uses:

Project Fund Deposits:	
Project Fund	15,000,000.00
Other Fund Deposits:	
Capitalized Interest	683,566.03
Debt Service Reserve Fund	<hr/> 1,625,500.00
	2,309,066.03
Delivery Date Expenses:	
Cost of Issuance	568,925.00
Other Uses of Funds:	
Additional Proceeds	2,508.97
	<hr/> 17,880,500.00

Notes:

Preliminary, Subject to Change
Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Dated Date	03/01/2011
Delivery Date	03/01/2011
Last Maturity	05/01/2026
Arbitrage Yield	5.668538%
True Interest Cost (TIC)	7.097548%
Net Interest Cost (NIC)	7.186468%
All-In TIC	6.146389%
Average Coupon	7.186468%
Average Life (years)	9.407
Duration of Issue (years)	6.756
Par Amount	16,255,000.00
Bond Proceeds	16,255,000.00
Total Interest	10,989,128.25
Net Interest	10,989,128.25
Total Debt Service	27,244,128.25
Maximum Annual Debt Service	1,818,901.50
Average Annual Debt Service	1,796,316.15
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	16,255,000.00	100.000	7.186%	9.407	10,388.25
	16,255,000.00			9.407	10,388.25

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

	TIC	All-In TIC	Arbitrage Yield
Par Value	16,255,000.00	16,255,000.00	16,255,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(568,925.00)	
- Other Amounts		1,625,500.00	1,625,500.00
Target Value	16,255,000.00	17,311,575.00	17,880,500.00
Target Date	03/01/2011	03/01/2011	03/01/2011
Yield	7.097548%	6.146389%	5.668538%

Notes:

Preliminary, Subject to Change
Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND PRICING

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	05/01/2012	550,000	3.710%	3.710%	100.000
	05/01/2013	750,000	4.110%	4.110%	100.000
	05/01/2014	785,000	4.680%	4.680%	100.000
	05/01/2015	820,000	5.240%	5.240%	100.000
	05/01/2016	860,000	5.700%	5.700%	100.000
	05/01/2017	910,000	6.070%	6.070%	100.000
	05/01/2018	965,000	6.400%	6.400%	100.000
	05/01/2019	1,030,000	6.730%	6.730%	100.000
	05/01/2020	1,095,000	7.000%	7.000%	100.000
	05/01/2021	1,175,000	7.210%	7.210%	100.000
	05/01/2022	1,260,000	7.380%	7.380%	100.000
	05/01/2023	1,350,000	7.510%	7.510%	100.000
	05/01/2024	1,455,000	7.620%	7.620%	100.000
	05/01/2025	1,565,000	7.720%	7.720%	100.000
	05/01/2026	1,685,000	7.800%	7.800%	100.000
		16,255,000			

Dated Date	03/01/2011	
Delivery Date	03/01/2011	
First Coupon	11/01/2011	
Par Amount	16,255,000.00	
Original Issue Discount		
Production	16,255,000.00	100.000000%
Underwriter's Discount		
Purchase Price	16,255,000.00	100.000000%
Accrued Interest		
Net Proceeds	16,255,000.00	

BOND PRICING

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 3.5% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Date	Debt Service	Present Value to 03/01/2011 @ 5.6685380%
11/01/2011	723,421.00	696,959.10
05/01/2012	1,092,565.75	1,023,589.67
11/01/2012	532,363.25	485,007.57
05/01/2013	1,282,363.25	1,136,092.38
11/01/2013	516,950.75	445,362.75
05/01/2014	1,301,950.75	1,090,740.43
11/01/2014	498,581.75	406,186.39
05/01/2015	1,318,581.75	1,044,619.63
11/01/2015	477,097.75	367,553.55
05/01/2016	1,337,097.75	1,001,702.02
11/01/2016	452,587.75	329,716.23
05/01/2017	1,362,587.75	965,304.08
11/01/2017	424,969.25	292,765.10
05/01/2018	1,389,969.25	931,170.32
11/01/2018	394,089.25	256,732.38
05/01/2019	1,424,089.25	902,163.83
11/01/2019	359,429.75	221,423.83
05/01/2020	1,454,429.75	871,295.00
11/01/2020	321,104.75	187,060.17
05/01/2021	1,496,104.75	847,537.15
11/01/2021	278,746.00	153,556.26
05/01/2022	1,538,746.00	824,305.02
11/01/2022	232,252.00	120,988.09
05/01/2023	1,582,252.00	801,532.12
11/01/2023	181,559.50	89,438.89
05/01/2024	1,636,559.50	783,973.44
11/01/2024	126,124.00	58,752.92
05/01/2025	1,691,124.00	766,071.44
11/01/2025	65,715.00	28,948.13
05/01/2026	1,750,715.00	749,952.13
	27,244,128.25	17,880,500.00

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Proceeds Summary

Delivery date	03/01/2011
Par Value	16,255,000.00
Arbitrage expenses	1,625,500.00
	<hr/>
Target for yield calculation	17,880,500.00

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 3.5% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Dated Date 03/01/2011
Delivery Date 03/01/2011

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	05/01/2012	550,000.00	3.710%	100.000	550,000.00	550,000.00
	05/01/2013	750,000.00	4.110%	100.000	750,000.00	750,000.00
	05/01/2014	785,000.00	4.680%	100.000	785,000.00	785,000.00
	05/01/2015	820,000.00	5.240%	100.000	820,000.00	820,000.00
	05/01/2016	860,000.00	5.700%	100.000	860,000.00	860,000.00
	05/01/2017	910,000.00	6.070%	100.000	910,000.00	910,000.00
	05/01/2018	965,000.00	6.400%	100.000	965,000.00	965,000.00
	05/01/2019	1,030,000.00	6.730%	100.000	1,030,000.00	1,030,000.00
	05/01/2020	1,095,000.00	7.000%	100.000	1,095,000.00	1,095,000.00
	05/01/2021	1,175,000.00	7.210%	100.000	1,175,000.00	1,175,000.00
	05/01/2022	1,260,000.00	7.380%	100.000	1,260,000.00	1,260,000.00
	05/01/2023	1,350,000.00	7.510%	100.000	1,350,000.00	1,350,000.00
	05/01/2024	1,455,000.00	7.620%	100.000	1,455,000.00	1,455,000.00
	05/01/2025	1,565,000.00	7.720%	100.000	1,565,000.00	1,565,000.00
	05/01/2026	1,685,000.00	7.800%	100.000	1,685,000.00	1,685,000.00
		16,255,000.00			16,255,000.00	16,255,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	05/01/2026	7.800%	1,685,000.00	1,685,000.00			
Entire Issue			16,255,000.00	16,255,000.00	9.4072	5.6685%	7.1865%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	568,925.00
Proceeds used for credit enhancement	(1,625,500.00)
Proceeds allocated to reasonably required reserve or replacement fund	1,625,500.00

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 3.5% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Date	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest	Net Debt Service
11/01/2011	723,421.00		723,421	
05/01/2012	1,092,565.75	28,933.90		1,063,631.85
11/01/2012	532,363.25	28,933.90		503,429.35
05/01/2013	1,282,363.25	28,933.90		1,253,429.35
11/01/2013	516,950.75	28,933.90		488,016.85
05/01/2014	1,301,950.75	28,933.90		1,273,016.85
11/01/2014	498,581.75	28,933.90		469,647.85
05/01/2015	1,318,581.75	28,933.90		1,289,647.85
11/01/2015	477,097.75	28,933.90		448,163.85
05/01/2016	1,337,097.75	28,933.90		1,308,163.85
11/01/2016	452,587.75	28,933.90		423,653.85
05/01/2017	1,362,587.75	28,933.90		1,333,653.85
11/01/2017	424,969.25	28,933.90		396,035.35
05/01/2018	1,389,969.25	28,933.90		1,361,035.35
11/01/2018	394,089.25	28,933.90		365,155.35
05/01/2019	1,424,089.25	28,933.90		1,395,155.35
11/01/2019	359,429.75	28,933.90		330,495.85
05/01/2020	1,454,429.75	28,933.90		1,425,495.85
11/01/2020	321,104.75	28,933.90		292,170.85
05/01/2021	1,496,104.75	28,933.90		1,467,170.85
11/01/2021	278,746.00	28,933.90		249,812.10
05/01/2022	1,538,746.00	28,933.90		1,509,812.10
11/01/2022	232,252.00	28,933.90		203,318.10
05/01/2023	1,582,252.00	28,933.90		1,553,318.10
11/01/2023	181,559.50	28,933.90		152,625.60
05/01/2024	1,636,559.50	28,933.90		1,607,625.60
11/01/2024	126,124.00	28,933.90		97,190.10
05/01/2025	1,691,124.00	28,933.90		1,662,190.10
11/01/2025	65,715.00	28,933.90		36,781.10
05/01/2026	1,750,715.00	28,933.90		1,721,781.10
	27,244,128.25	839,083.10	723,421	25,681,624.15

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 3.5% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 3.56%	Principal	Capitalized Interest	Debt Service	Balance
03/01/2011	1,625,500					1,625,500
05/01/2011		9,644.63		(9,644.63)		1,625,500
11/01/2011		28,933.90		(28,933.90)		1,625,500
05/01/2012		28,933.90			(28,933.90)	1,625,500
11/01/2012		28,933.90			(28,933.90)	1,625,500
05/01/2013		28,933.90			(28,933.90)	1,625,500
11/01/2013		28,933.90			(28,933.90)	1,625,500
05/01/2014		28,933.90			(28,933.90)	1,625,500
11/01/2014		28,933.90			(28,933.90)	1,625,500
05/01/2015		28,933.90			(28,933.90)	1,625,500
11/01/2015		28,933.90			(28,933.90)	1,625,500
05/01/2016		28,933.90			(28,933.90)	1,625,500
11/01/2016		28,933.90			(28,933.90)	1,625,500
05/01/2017		28,933.90			(28,933.90)	1,625,500
11/01/2017		28,933.90			(28,933.90)	1,625,500
05/01/2018		28,933.90			(28,933.90)	1,625,500
11/01/2018		28,933.90			(28,933.90)	1,625,500
05/01/2019		28,933.90			(28,933.90)	1,625,500
11/01/2019		28,933.90			(28,933.90)	1,625,500
05/01/2020		28,933.90			(28,933.90)	1,625,500
11/01/2020		28,933.90			(28,933.90)	1,625,500
05/01/2021		28,933.90			(28,933.90)	1,625,500
11/01/2021		28,933.90			(28,933.90)	1,625,500
05/01/2022		28,933.90			(28,933.90)	1,625,500
11/01/2022		28,933.90			(28,933.90)	1,625,500
05/01/2023		28,933.90			(28,933.90)	1,625,500
11/01/2023		28,933.90			(28,933.90)	1,625,500
05/01/2024		28,933.90			(28,933.90)	1,625,500
11/01/2024		28,933.90			(28,933.90)	1,625,500
05/01/2025		28,933.90			(28,933.90)	1,625,500
11/01/2025		28,933.90			(28,933.90)	1,625,500
05/01/2026		28,933.90	1,625,500		(28,933.90)	
	1,625,500	877,661.63	1,625,500	(38,578.53)	(839,083.10)	

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Yield To Receipt Date:	3.5602977%
Arbitrage Yield:	5.6685380%
Value of Negative Arbitrage:	345,542.44

Notes:

Preliminary, Subject to Change
Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

CAPITALIZED INTEREST FUND

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF

Capitalized Interest (CAPI)

Date	Deposit	Interest @ 0.28%	Principal	Debt Service Reserve Fund	Scheduled Draws	Balance
03/01/2011	683,566.03					683,566.03
05/01/2011		319.00	(9,963.63)	9,644.63		693,529.66
11/01/2011		957.44	693,529.66	28,933.90	723,421	
	683,566.03	1,276.44	683,566.03	38,578.53	723,421	

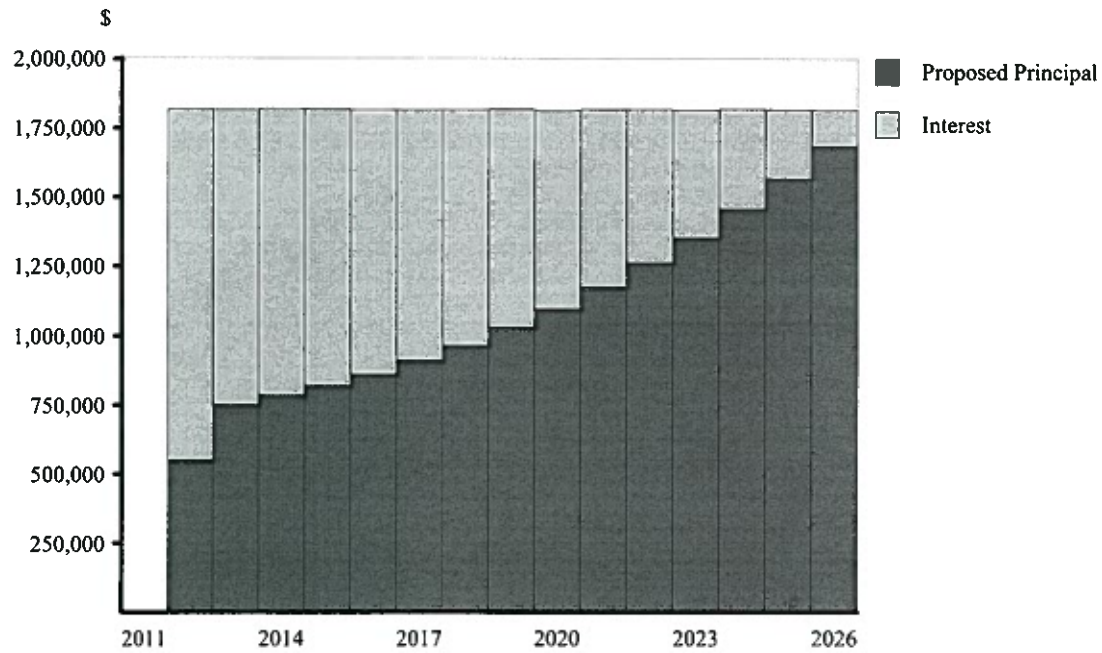
Yield To Receipt Date: 0.2742323%
Arbitrage Yield: 5.6685380%
Value of Negative Arbitrage: 24,301.02

Notes:

Preliminary, Subject to Change
Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND SOLUTION CHART

County of Santa Barbara
Series of 2011 Taxable Assessment Cash Funded DSRF



Notes:

- Preliminary, Subject to Change
- Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
- Total Costs of Issuance are 3.5% of total par (COI + UD)
- Capitalized Interest through 11/1/2010
- Debt Service Reserve Fund sized using Lesser of 3 Test

Alternative B1

Base Case enhanced with County
“moral obligation” to achieve A3 ratings.

SOURCES AND USES OF FUNDS

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	18,140,000.00
	<hr/>
	18,140,000.00
	<hr/> <hr/>

Uses:

<hr/>	
Project Fund Deposits:	
Project Fund	15,000,000.00
Other Fund Deposits:	
Capitalized Interest	687,759.80
Debt Service Reserve Fund	<u>1,814,000.00</u>
	2,501,759.80
Delivery Date Expenses:	
Cost of Issuance	634,900.00
Other Uses of Funds:	
Additional Proceeds	3,340.20
	<hr/>
	18,140,000.00
	<hr/> <hr/>

Notes:

Preliminary, Subject to Change
Assumes MMD A Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Dated Date	03/01/2011
Delivery Date	03/01/2011
Last Maturity	05/01/2026
Arbitrage Yield	6.497499%
True Interest Cost (TIC)	6.497499%
Net Interest Cost (NIC)	6.580945%
All-In TIC	7.037530%
Average Coupon	6.580945%
Average Life (years)	9.294
Duration of Issue (years)	6.868
Par Amount	18,140,000.00
Bond Proceeds	18,140,000.00
Total Interest	11,095,034.08
Net Interest	11,095,034.08
Total Debt Service	29,235,034.08
Maximum Annual Debt Service	1,951,168.58
Average Annual Debt Service	1,927,584.66
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	18,140,000.00	100.000	6.581%	9.294	11,796.85
	18,140,000.00			9.294	11,796.85

BOND SUMMARY STATISTICS

**County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds**

	TIC	All-In TIC	Arbitrage Yield
Par Value	18,140,000.00	18,140,000.00	18,140,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(634,900.00)	
- Other Amounts			
Target Value	18,140,000.00	17,505,100.00	18,140,000.00
Target Date	03/01/2011	03/01/2011	03/01/2011
Yield	6.497499%	7.037530%	6.497499%

Notes:

Preliminary, Subject to Change
 Assumes MMD A Taxable as of 3/23/2010 + 100 bps
 Total Costs of Issuance are 3.5% of total par (COI + UD)
 Capitalized Interest through 11/1/2010
 Debt Service Reserve Fund sized using Lesser of 3 Test

BOND PRICING

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	05/01/2012	670,000	3.110%	3.110%	100.000
	05/01/2013	870,000	3.520%	3.520%	100.000
	05/01/2014	900,000	4.090%	4.090%	100.000
	05/01/2015	940,000	4.650%	4.650%	100.000
	05/01/2016	985,000	5.110%	5.110%	100.000
	05/01/2017	1,035,000	5.480%	5.480%	100.000
	05/01/2018	1,090,000	5.810%	5.810%	100.000
	05/01/2019	1,155,000	6.140%	6.140%	100.000
	05/01/2020	1,225,000	6.410%	6.410%	100.000
	05/01/2021	1,300,000	6.620%	6.620%	100.000
	05/01/2022	1,390,000	6.790%	6.790%	100.000
	05/01/2023	1,485,000	6.920%	6.920%	100.000
	05/01/2024	1,585,000	7.030%	7.030%	100.000
	05/01/2025	1,695,000	7.130%	7.130%	100.000
	05/01/2026	1,815,000	7.210%	7.210%	100.000
		18,140,000			

Dated Date	03/01/2011	
Delivery Date	03/01/2011	
First Coupon	11/01/2011	
Par Amount	18,140,000.00	
Original Issue Discount		
Production	18,140,000.00	100.000000%
Underwriter's Discount		
Purchase Price	18,140,000.00	100.000000%
Accrued Interest		
Net Proceeds	18,140,000.00	

BOND PRICING

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Notes:

Preliminary, Subject to Change

Assumes MMD A Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 3.5% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Date	Debt Service	Present Value to 03/01/2011 @ 6.4974985%
11/01/2011	732,096.33	701,544.40
05/01/2012	1,219,072.25	1,131,440.13
11/01/2012	538,653.75	484,202.50
05/01/2013	1,408,653.75	1,226,413.13
11/01/2013	523,341.75	441,299.18
05/01/2014	1,423,341.75	1,162,444.23
11/01/2014	504,936.75	399,406.49
05/01/2015	1,444,936.75	1,106,986.12
11/01/2015	483,081.75	358,450.48
05/01/2016	1,468,081.75	1,055,052.28
11/01/2016	457,915.00	318,730.64
05/01/2017	1,492,915.00	1,006,443.09
11/01/2017	429,556.00	280,471.75
05/01/2018	1,519,556.00	960,951.02
11/01/2018	397,891.50	243,704.98
05/01/2019	1,552,891.50	921,204.51
11/01/2019	362,433.00	208,236.99
05/01/2020	1,587,433.00	883,366.14
11/01/2020	323,171.75	174,178.25
05/01/2021	1,623,171.75	847,305.88
11/01/2021	280,141.75	141,634.41
05/01/2022	1,670,141.75	817,823.30
11/01/2022	232,951.25	110,480.69
05/01/2023	1,717,951.25	789,127.87
11/01/2023	181,570.25	80,778.62
05/01/2024	1,766,570.25	761,198.39
11/01/2024	125,857.50	52,524.42
05/01/2025	1,820,857.50	735,992.37
11/01/2025	65,430.75	25,615.01
05/01/2026	1,880,430.75	712,992.72
	29,235,034.08	18,140,000.00

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Proceeds Summary

Delivery date	03/01/2011
Par Value	18,140,000.00
	<hr/>
Target for yield calculation	18,140,000.00

Notes:

Preliminary, Subject to Change
Assumes MMD A Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Dated Date 03/01/2011
Delivery Date 03/01/2011

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	05/01/2012	670,000.00	3.110%	100.000	670,000.00	670,000.00
	05/01/2013	870,000.00	3.520%	100.000	870,000.00	870,000.00
	05/01/2014	900,000.00	4.090%	100.000	900,000.00	900,000.00
	05/01/2015	940,000.00	4.650%	100.000	940,000.00	940,000.00
	05/01/2016	985,000.00	5.110%	100.000	985,000.00	985,000.00
	05/01/2017	1,035,000.00	5.480%	100.000	1,035,000.00	1,035,000.00
	05/01/2018	1,090,000.00	5.810%	100.000	1,090,000.00	1,090,000.00
	05/01/2019	1,155,000.00	6.140%	100.000	1,155,000.00	1,155,000.00
	05/01/2020	1,225,000.00	6.410%	100.000	1,225,000.00	1,225,000.00
	05/01/2021	1,300,000.00	6.620%	100.000	1,300,000.00	1,300,000.00
	05/01/2022	1,390,000.00	6.790%	100.000	1,390,000.00	1,390,000.00
	05/01/2023	1,485,000.00	6.920%	100.000	1,485,000.00	1,485,000.00
	05/01/2024	1,585,000.00	7.030%	100.000	1,585,000.00	1,585,000.00
	05/01/2025	1,695,000.00	7.130%	100.000	1,695,000.00	1,695,000.00
	05/01/2026	1,815,000.00	7.210%	100.000	1,815,000.00	1,815,000.00
		18,140,000.00			18,140,000.00	18,140,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	05/01/2026	7.210%	1,815,000.00	1,815,000.00			
Entire Issue			18,140,000.00	18,140,000.00	9.2940	6.4975%	6.5809%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	634,900.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	1,814,000.00

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Notes:

Preliminary, Subject to Change

Assumes MMD A Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 3.5% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Date	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest	Net Debt Service
11/01/2011	732,096.33		732,096.33	
05/01/2012	1,219,072.25	32,289.20		1,186,783.05
11/01/2012	538,653.75	32,289.20		506,364.55
05/01/2013	1,408,653.75	32,289.20		1,376,364.55
11/01/2013	523,341.75	32,289.20		491,052.55
05/01/2014	1,423,341.75	32,289.20		1,391,052.55
11/01/2014	504,936.75	32,289.20		472,647.55
05/01/2015	1,444,936.75	32,289.20		1,412,647.55
11/01/2015	483,081.75	32,289.20		450,792.55
05/01/2016	1,468,081.75	32,289.20		1,435,792.55
11/01/2016	457,915.00	32,289.20		425,625.80
05/01/2017	1,492,915.00	32,289.20		1,460,625.80
11/01/2017	429,556.00	32,289.20		397,266.80
05/01/2018	1,519,556.00	32,289.20		1,487,266.80
11/01/2018	397,891.50	32,289.20		365,602.30
05/01/2019	1,552,891.50	32,289.20		1,520,602.30
11/01/2019	362,433.00	32,289.20		330,143.80
05/01/2020	1,587,433.00	32,289.20		1,555,143.80
11/01/2020	323,171.75	32,289.20		290,882.55
05/01/2021	1,623,171.75	32,289.20		1,590,882.55
11/01/2021	280,141.75	32,289.20		247,852.55
05/01/2022	1,670,141.75	32,289.20		1,637,852.55
11/01/2022	232,951.25	32,289.20		200,662.05
05/01/2023	1,717,951.25	32,289.20		1,685,662.05
11/01/2023	181,570.25	32,289.20		149,281.05
05/01/2024	1,766,570.25	32,289.20		1,734,281.05
11/01/2024	125,857.50	32,289.20		93,568.30
05/01/2025	1,820,857.50	32,289.20		1,788,568.30
11/01/2025	65,430.75	32,289.20		33,141.55
05/01/2026	1,880,430.75	1,846,289.20		34,141.55
	29,235,034.08	2,750,386.80	732,096.33	25,752,550.95

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Notes:

Preliminary, Subject to Change

Assumes MMD A Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 3.5% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 3.56%	Principal	Capitalized Interest	Debt Service	Balance
03/01/2011	1,814,000					1,814,000
05/01/2011		10,763.07		(10,763.07)		1,814,000
11/01/2011		32,289.20		(32,289.20)		1,814,000
05/01/2012		32,289.20			(32,289.20)	1,814,000
11/01/2012		32,289.20			(32,289.20)	1,814,000
05/01/2013		32,289.20			(32,289.20)	1,814,000
11/01/2013		32,289.20			(32,289.20)	1,814,000
05/01/2014		32,289.20			(32,289.20)	1,814,000
11/01/2014		32,289.20			(32,289.20)	1,814,000
05/01/2015		32,289.20			(32,289.20)	1,814,000
11/01/2015		32,289.20			(32,289.20)	1,814,000
05/01/2016		32,289.20			(32,289.20)	1,814,000
11/01/2016		32,289.20			(32,289.20)	1,814,000
05/01/2017		32,289.20			(32,289.20)	1,814,000
11/01/2017		32,289.20			(32,289.20)	1,814,000
05/01/2018		32,289.20			(32,289.20)	1,814,000
11/01/2018		32,289.20			(32,289.20)	1,814,000
05/01/2019		32,289.20			(32,289.20)	1,814,000
11/01/2019		32,289.20			(32,289.20)	1,814,000
05/01/2020		32,289.20			(32,289.20)	1,814,000
11/01/2020		32,289.20			(32,289.20)	1,814,000
05/01/2021		32,289.20			(32,289.20)	1,814,000
11/01/2021		32,289.20			(32,289.20)	1,814,000
05/01/2022		32,289.20			(32,289.20)	1,814,000
11/01/2022		32,289.20			(32,289.20)	1,814,000
05/01/2023		32,289.20			(32,289.20)	1,814,000
11/01/2023		32,289.20			(32,289.20)	1,814,000
05/01/2024		32,289.20			(32,289.20)	1,814,000
11/01/2024		32,289.20			(32,289.20)	1,814,000
05/01/2025		32,289.20			(32,289.20)	1,814,000
11/01/2025		32,289.20			(32,289.20)	1,814,000
05/01/2026		32,289.20	1,814,000		(1,846,289.20)	
	1,814,000	979,439.07	1,814,000	(43,052.27)	(2,750,386.80)	

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Yield To Receipt Date:	3.5602977%
Arbitrage Yield:	6.4974985%
Value of Negative Arbitrage:	509,036.13

Notes:

Preliminary, Subject to Change
Assumes MMD A Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

CAPITALIZED INTEREST FUND

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds

Capitalized Interest (CAPI)

Date	Deposit	Interest @ 0.28%	Principal	Debt Service Reserve Fund	Scheduled Draws	Balance
03/01/2011	687,759.80					687,759.80
05/01/2011		320.95	(11,084.02)	10,763.07		698,843.82
11/01/2011		963.31	698,843.82	32,289.20	732,096.33	
	687,759.80	1,284.26	687,759.80	43,052.27	732,096.33	

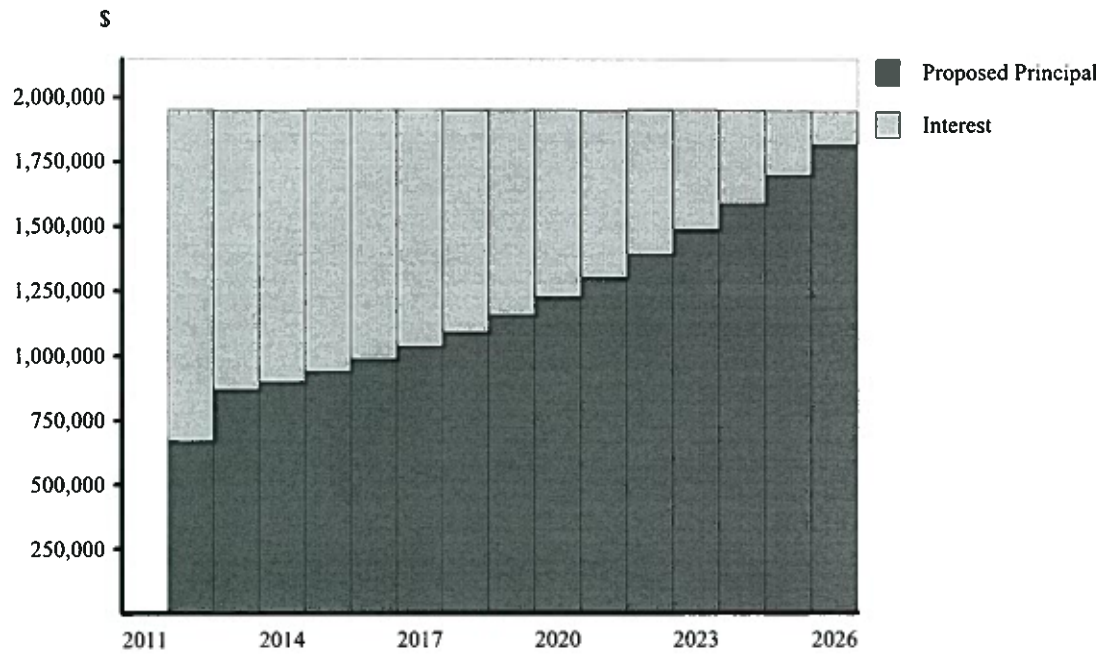
Yield To Receipt Date: 0.2736112%
Arbitrage Yield: 6.4974985%
Value of Negative Arbitrage: 28,141.15

Notes:

Preliminary, Subject to Change
Assumes MMD A Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND SOLUTION CHART

County of Santa Barbara
Series of 2011 Enhanced Taxable Assessment Bonds



Notes:

Preliminary, Subject to Change
Assumes MMD A Taxable as of 3/23/2010 + 100 bps
Total Costs of Issuance are 3.5% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

Alternative C1

Base Case enhanced with County general obligation
COP appropriation pledge to achieve A1 ratings.

SOURCES AND USES OF FUNDS

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	17,990,000.00
	<hr/>
	17,990,000.00
	<hr/> <hr/>

Uses:

<hr/>	
Project Fund Deposits:	
Project Fund	15,000,000.00
Other Fund Deposits:	
Capitalized Interest	650,552.61
Debt Service Reserve Fund	<hr/> 1,799,000.00
	2,449,552.61
Delivery Date Expenses:	
Cost of Issuance	539,700.00
Other Uses of Funds:	
Additional Proceeds	747.39
	<hr/>
	17,990,000.00
	<hr/> <hr/>

Notes:

Preliminary, Subject to Change
Assumes MMD A Taxable as of 3/23/2010 + 75 bps
Total Costs of Issuance are 3.0% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Dated Date	03/01/2011
Delivery Date	03/01/2011
Last Maturity	05/01/2026
Arbitrage Yield	6.243649%
True Interest Cost (TIC)	6.243649%
Net Interest Cost (NIC)	6.324701%
All-In TIC	6.700952%
Average Coupon	6.324701%
Average Life (years)	9.248
Duration of Issue (years)	6.917
Par Amount	17,990,000.00
Bond Proceeds	17,990,000.00
Total Interest	10,522,298.92
Net Interest	10,522,298.92
Total Debt Service	28,512,298.92
Maximum Annual Debt Service	1,903,328.50
Average Annual Debt Service	1,879,931.80
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	17,990,000.00	100.000	6.325%	9.248	11,763.45
	17,990,000.00			9.248	11,763.45

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 General Fund Secured Debt

	TIC	All-In TIC	Arbitrage Yield
Par Value	17,990,000.00	17,990,000.00	17,990,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(539,700.00)	
- Other Amounts			
Target Value	17,990,000.00	17,450,300.00	17,990,000.00
Target Date	03/01/2011	03/01/2011	03/01/2011
Yield	6.243649%	6.700952%	6.243649%

Notes:

Preliminary, Subject to Change
 Assumes MMD A Taxable as of 3/23/2010 + 75 bps
 Total Costs of Issuance are 3.0% of total par (COI + UD)
 Capitalized Interest through 11/1/2010
 Debt Service Reserve Fund sized using Lesser of 3 Test

BOND PRICING

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	05/01/2012	685,000	2.860%	2.860%	100.000
	05/01/2013	880,000	3.270%	3.270%	100.000
	05/01/2014	910,000	3.840%	3.840%	100.000
	05/01/2015	940,000	4.400%	4.400%	100.000
	05/01/2016	985,000	4.860%	4.860%	100.000
	05/01/2017	1,030,000	5.230%	5.230%	100.000
	05/01/2018	1,085,000	5.560%	5.560%	100.000
	05/01/2019	1,145,000	5.890%	5.890%	100.000
	05/01/2020	1,215,000	6.160%	6.160%	100.000
	05/01/2021	1,290,000	6.370%	6.370%	100.000
	05/01/2022	1,370,000	6.540%	6.540%	100.000
	05/01/2023	1,460,000	6.670%	6.670%	100.000
	05/01/2024	1,555,000	6.780%	6.780%	100.000
	05/01/2025	1,665,000	6.880%	6.880%	100.000
	05/01/2026	1,775,000	6.960%	6.960%	100.000
		17,990,000			

Dated Date	03/01/2011	
Delivery Date	03/01/2011	
First Coupon	11/01/2011	
Par Amount	17,990,000.00	
Original Issue Discount		
Production	17,990,000.00	100.000000%
Underwriter's Discount		
Purchase Price	17,990,000.00	100.000000%
Accrued Interest		
Net Proceeds	17,990,000.00	

BOND PRICING

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Notes:

Preliminary, Subject to Change

Assumes MMD A Taxable as of 3/23/2010 + 75 bps

Total Costs of Issuance are 3.0% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Date	Debt Service	Present Value to 03/01/2011 @ 6.2436491%
11/01/2011	694,463.67	666,574.58
05/01/2012	1,205,847.75	1,122,383.06
11/01/2012	511,052.25	461,278.64
05/01/2013	1,391,052.25	1,217,561.46
11/01/2013	496,664.25	421,560.36
05/01/2014	1,406,664.25	1,157,808.47
11/01/2014	479,192.25	382,477.13
05/01/2015	1,419,192.25	1,098,465.26
11/01/2015	458,512.25	344,148.16
05/01/2016	1,443,512.25	1,050,665.31
11/01/2016	434,576.75	306,732.52
05/01/2017	1,464,576.75	1,002,431.90
11/01/2017	407,642.25	270,564.83
05/01/2018	1,492,642.25	960,721.03
11/01/2018	377,479.25	235,604.76
05/01/2019	1,522,479.25	921,492.43
11/01/2019	343,759.00	201,764.09
05/01/2020	1,558,759.00	887,193.16
11/01/2020	306,337.00	169,078.38
05/01/2021	1,596,337.00	854,402.70
11/01/2021	265,250.50	137,671.38
05/01/2022	1,635,250.50	823,040.39
11/01/2022	220,451.50	107,596.79
05/01/2023	1,680,451.50	795,356.19
11/01/2023	171,760.50	78,833.06
05/01/2024	1,726,760.50	768,540.24
11/01/2024	119,046.00	51,380.55
05/01/2025	1,784,046.00	746,688.35
11/01/2025	61,770.00	25,070.35
05/01/2026	1,836,770.00	722,914.49
	28,512,298.92	17,990,000.00

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Proceeds Summary

Delivery date	03/01/2011
Par Value	17,990,000.00
	<hr/>
Target for yield calculation	17,990,000.00

Notes:

Preliminary, Subject to Change
Assumes MMD A Taxable as of 3/23/2010 + 75 bps
Total Costs of Issuance are 3.0% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Dated Date 03/01/2011
Delivery Date 03/01/2011

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	05/01/2012	685,000.00	2.860%	100.000	685,000.00	685,000.00
	05/01/2013	880,000.00	3.270%	100.000	880,000.00	880,000.00
	05/01/2014	910,000.00	3.840%	100.000	910,000.00	910,000.00
	05/01/2015	940,000.00	4.400%	100.000	940,000.00	940,000.00
	05/01/2016	985,000.00	4.860%	100.000	985,000.00	985,000.00
	05/01/2017	1,030,000.00	5.230%	100.000	1,030,000.00	1,030,000.00
	05/01/2018	1,085,000.00	5.560%	100.000	1,085,000.00	1,085,000.00
	05/01/2019	1,145,000.00	5.890%	100.000	1,145,000.00	1,145,000.00
	05/01/2020	1,215,000.00	6.160%	100.000	1,215,000.00	1,215,000.00
	05/01/2021	1,290,000.00	6.370%	100.000	1,290,000.00	1,290,000.00
	05/01/2022	1,370,000.00	6.540%	100.000	1,370,000.00	1,370,000.00
	05/01/2023	1,460,000.00	6.670%	100.000	1,460,000.00	1,460,000.00
	05/01/2024	1,555,000.00	6.780%	100.000	1,555,000.00	1,555,000.00
	05/01/2025	1,665,000.00	6.880%	100.000	1,665,000.00	1,665,000.00
	05/01/2026	1,775,000.00	6.960%	100.000	1,775,000.00	1,775,000.00
		17,990,000.00			17,990,000.00	17,990,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	05/01/2026	6.960%	1,775,000.00	1,775,000.00			
Entire Issue			17,990,000.00	17,990,000.00	9.2478	6.2436%	6.3247%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	539,700.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	1,799,000.00

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Notes:

Preliminary, Subject to Change

Assumes MMD A Taxable as of 3/23/2010 + 75 bps

Total Costs of Issuance are 3.0% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Date	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest	Net Debt Service
11/01/2011	694,463.67		694,463.67	
05/01/2012	1,205,847.75	32,022.20		1,173,825.55
11/01/2012	511,052.25	32,022.20		479,030.05
05/01/2013	1,391,052.25	32,022.20		1,359,030.05
11/01/2013	496,664.25	32,022.20		464,642.05
05/01/2014	1,406,664.25	32,022.20		1,374,642.05
11/01/2014	479,192.25	32,022.20		447,170.05
05/01/2015	1,419,192.25	32,022.20		1,387,170.05
11/01/2015	458,512.25	32,022.20		426,490.05
05/01/2016	1,443,512.25	32,022.20		1,411,490.05
11/01/2016	434,576.75	32,022.20		402,554.55
05/01/2017	1,464,576.75	32,022.20		1,432,554.55
11/01/2017	407,642.25	32,022.20		375,620.05
05/01/2018	1,492,642.25	32,022.20		1,460,620.05
11/01/2018	377,479.25	32,022.20		345,457.05
05/01/2019	1,522,479.25	32,022.20		1,490,457.05
11/01/2019	343,759.00	32,022.20		311,736.80
05/01/2020	1,558,759.00	32,022.20		1,526,736.80
11/01/2020	306,337.00	32,022.20		274,314.80
05/01/2021	1,596,337.00	32,022.20		1,564,314.80
11/01/2021	265,250.50	32,022.20		233,228.30
05/01/2022	1,635,250.50	32,022.20		1,603,228.30
11/01/2022	220,451.50	32,022.20		188,429.30
05/01/2023	1,680,451.50	32,022.20		1,648,429.30
11/01/2023	171,760.50	32,022.20		139,738.30
05/01/2024	1,726,760.50	32,022.20		1,694,738.30
11/01/2024	119,046.00	32,022.20		87,023.80
05/01/2025	1,784,046.00	32,022.20		1,752,023.80
11/01/2025	61,770.00	32,022.20		29,747.80
05/01/2026	1,836,770.00	1,831,022.20		5,747.80
	28,512,298.92	2,727,643.80	694,463.67	25,090,191.45

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Notes:

Preliminary, Subject to Change

Assumes MMD A Taxable as of 3/23/2010 + 75 bps

Total Costs of Issuance are 3.0% of total par (COI + UD)

Capitalized Interest through 11/1/2010

Debt Service Reserve Fund sized using Lesser of 3 Test

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 3.56%	Principal	Capitalized Interest	Debt Service	Balance
03/01/2011	1,799,000					1,799,000
05/01/2011		10,674.07		(10,674.07)		1,799,000
11/01/2011		32,022.20		(32,022.20)		1,799,000
05/01/2012		32,022.20			(32,022.20)	1,799,000
11/01/2012		32,022.20			(32,022.20)	1,799,000
05/01/2013		32,022.20			(32,022.20)	1,799,000
11/01/2013		32,022.20			(32,022.20)	1,799,000
05/01/2014		32,022.20			(32,022.20)	1,799,000
11/01/2014		32,022.20			(32,022.20)	1,799,000
05/01/2015		32,022.20			(32,022.20)	1,799,000
11/01/2015		32,022.20			(32,022.20)	1,799,000
05/01/2016		32,022.20			(32,022.20)	1,799,000
11/01/2016		32,022.20			(32,022.20)	1,799,000
05/01/2017		32,022.20			(32,022.20)	1,799,000
11/01/2017		32,022.20			(32,022.20)	1,799,000
05/01/2018		32,022.20			(32,022.20)	1,799,000
11/01/2018		32,022.20			(32,022.20)	1,799,000
05/01/2019		32,022.20			(32,022.20)	1,799,000
11/01/2019		32,022.20			(32,022.20)	1,799,000
05/01/2020		32,022.20			(32,022.20)	1,799,000
11/01/2020		32,022.20			(32,022.20)	1,799,000
05/01/2021		32,022.20			(32,022.20)	1,799,000
11/01/2021		32,022.20			(32,022.20)	1,799,000
05/01/2022		32,022.20			(32,022.20)	1,799,000
11/01/2022		32,022.20			(32,022.20)	1,799,000
05/01/2023		32,022.20			(32,022.20)	1,799,000
11/01/2023		32,022.20			(32,022.20)	1,799,000
05/01/2024		32,022.20			(32,022.20)	1,799,000
11/01/2024		32,022.20			(32,022.20)	1,799,000
05/01/2025		32,022.20			(32,022.20)	1,799,000
11/01/2025		32,022.20			(32,022.20)	1,799,000
05/01/2026		32,022.20	1,799,000		(1,831,022.20)	
	1,799,000	971,340.07	1,799,000	(42,696.27)	(2,727,643.80)	

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Yield To Receipt Date:	3.5602977%
Arbitrage Yield:	6.2436491%
Value of Negative Arbitrage:	468,805.16

Notes:

Preliminary, Subject to Change
Assumes MMD A Taxable as of 3/23/2010 + 75 bps
Total Costs of Issuance are 3.0% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

CAPITALIZED INTEREST FUND

County of Santa Barbara
Series of 2011 General Fund Secured Debt

Capitalized Interest (CAPI)

Date	Deposit	Interest @ 0.28%	Principal	Debt Service Reserve Fund	Scheduled Draws	Balance
03/01/2011	650,552.61					650,552.61
05/01/2011		303.59	(10,977.66)	10,674.07		661,530.27
11/01/2011		911.20	661,530.27	32,022.20	694,463.67	
	650,552.61	1,214.79	650,552.61	42,696.27	694,463.67	

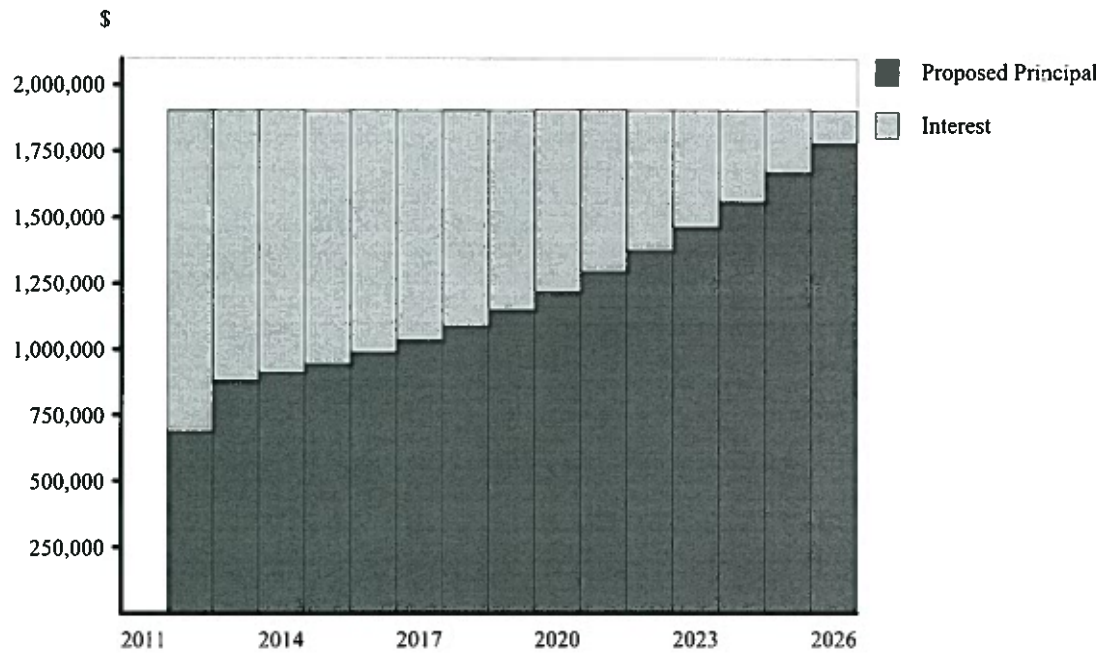
Yield To Receipt Date: 0.2733092%
Arbitrage Yield: 6.2436491%
Value of Negative Arbitrage: 25,599.34

Notes:

Preliminary, Subject to Change
Assumes MMD A Taxable as of 3/23/2010 + 75 bps
Total Costs of Issuance are 3.0% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND SOLUTION CHART

County of Santa Barbara
Series of 2011 General Fund Secured Debt



Notes:

Preliminary, Subject to Change
Assumes MMD A Taxable as of 3/23/2010 + 75 bps
Total Costs of Issuance are 3.0% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

Alternative C1a

Base Case enhanced by Federal loan guarantee program to achieve an AAA rating.

SOURCES AND USES OF FUNDS

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	16,060,000.00
<hr/>	
	16,060,000.00
<hr/>	

Uses:

<hr/>	
Project Fund Deposits:	
Project Fund	15,000,000.00
Other Fund Deposits:	
Capitalized Interest	573,835.79
Delivery Date Expenses:	
Cost of Issuance	481,800.00
Other Uses of Funds:	
Additional Proceeds	4,364.21
<hr/>	
	16,060,000.00
<hr/>	

Notes:

Preliminary, Subject to Change
Assumes MMD AAA Taxable as of 3/23/2010 + 24 to 63 bps
Total Costs of Issuance are 3.0% of total par (COI + UD)
Capitalized Interest through 11/1/2010

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Dated Date	03/01/2011
Delivery Date	03/01/2011
Last Maturity	05/01/2026
Arbitrage Yield	5.917485%
True Interest Cost (TIC)	5.917485%
Net Interest Cost (NIC)	6.003543%
All-In TIC	6.369921%
Average Coupon	6.003543%
Average Life (years)	9.175
Duration of Issue (years)	6.979
Par Amount	16,060,000.00
Bond Proceeds	16,060,000.00
Total Interest	8,846,019.83
Net Interest	8,846,019.83
Total Debt Service	24,906,019.83
Maximum Annual Debt Service	1,662,890.50
Average Annual Debt Service	1,642,155.15
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	16,060,000.00	100.000	6.004%	9.175	10,606.35
	16,060,000.00			9.175	10,606.35

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

	TIC	All-In TIC	Arbitrage Yield
Par Value	16,060,000.00	16,060,000.00	16,060,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(481,800.00)	
- Other Amounts			
Target Value	16,060,000.00	15,578,200.00	16,060,000.00
Target Date	03/01/2011	03/01/2011	03/01/2011
Yield	5.917485%	6.369921%	5.917485%

Notes:

Preliminary, Subject to Change
Assumes MMD AAA Taxable as of 3/23/2010 + 24 to 63 bps
Total Costs of Issuance are 3.0% of total par (COI + UD)
Capitalized Interest through 11/1/2010

BOND PRICING

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	05/01/2012	655,000	1.520%	1.520%	100.000
	05/01/2013	810,000	2.370%	2.370%	100.000
	05/01/2014	825,000	3.210%	3.210%	100.000
	05/01/2015	855,000	3.870%	3.870%	100.000
	05/01/2016	885,000	4.430%	4.430%	100.000
	05/01/2017	925,000	4.900%	4.900%	100.000
	05/01/2018	970,000	5.280%	5.280%	100.000
	05/01/2019	1,025,000	5.590%	5.590%	100.000
	05/01/2020	1,080,000	5.850%	5.850%	100.000
	05/01/2021	1,145,000	6.060%	6.060%	100.000
	05/01/2022	1,210,000	6.250%	6.250%	100.000
	05/01/2023	1,290,000	6.400%	6.400%	100.000
	05/01/2024	1,370,000	6.530%	6.530%	100.000
	05/01/2025	1,460,000	6.610%	6.610%	100.000
	05/01/2026	1,555,000	6.680%	6.680%	100.000
		16,060,000			

Dated Date	03/01/2011	
Delivery Date	03/01/2011	
First Coupon	11/01/2011	
Par Amount	16,060,000.00	
Original Issue Discount		
Production	16,060,000.00	100.000000%
Underwriter's Discount		
Purchase Price	16,060,000.00	100.000000%
Accrued Interest		
Net Proceeds	16,060,000.00	

BOND PRICING

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Notes:

Preliminary, Subject to Change

Assumes MMD AAA Taxable as of 3/23/2010 + 24 to 63 bps

Total Costs of Issuance are 3.0% of total par (COI + UD)

Capitalized Interest through 11/1/2010

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Date	Debt Service	Present Value to 03/01/2011 @ 5.9174848%
11/01/2011	574,907.33	552,985.24
05/01/2012	1,086,180.50	1,014,739.27
11/01/2012	426,202.50	386,727.65
05/01/2013	1,236,202.50	1,089,470.87
11/01/2013	416,604.00	356,604.00
05/01/2014	1,241,604.00	1,032,244.68
11/01/2014	403,362.75	325,710.76
05/01/2015	1,258,362.75	986,913.17
11/01/2015	386,818.50	294,657.23
05/01/2016	1,271,818.50	940,961.32
11/01/2016	367,215.75	263,878.92
05/01/2017	1,292,215.75	901,893.39
11/01/2017	344,553.25	233,567.97
05/01/2018	1,314,553.25	865,509.62
11/01/2018	318,945.25	203,960.76
05/01/2019	1,343,945.25	834,735.40
11/01/2019	290,296.50	175,124.06
05/01/2020	1,370,296.50	802,888.70
11/01/2020	258,706.50	147,226.13
05/01/2021	1,403,706.50	775,873.02
11/01/2021	224,013.00	120,260.87
05/01/2022	1,434,013.00	747,723.40
11/01/2022	186,200.50	94,298.65
05/01/2023	1,476,200.50	726,117.28
11/01/2023	144,920.50	69,235.37
05/01/2024	1,514,920.50	702,950.60
11/01/2024	100,190.00	45,153.99
05/01/2025	1,560,190.00	682,945.42
11/01/2025	51,937.00	22,081.17
05/01/2026	1,606,937.00	663,561.07
	24,906,019.83	16,060,000.00

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Proceeds Summary

Delivery date	03/01/2011
Par Value	16,060,000.00
	<hr/>
Target for yield calculation	16,060,000.00

Notes:

Preliminary, Subject to Change
Assumes MMD AAA Taxable as of 3/23/2010 + 24 to 63 bps
Total Costs of Issuance are 3.0% of total par (COI + UD)
Capitalized Interest through 11/1/2010

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Dated Date 03/01/2011
Delivery Date 03/01/2011

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	05/01/2012	655,000.00	1.520%	100.000	655,000.00	655,000.00
	05/01/2013	810,000.00	2.370%	100.000	810,000.00	810,000.00
	05/01/2014	825,000.00	3.210%	100.000	825,000.00	825,000.00
	05/01/2015	855,000.00	3.870%	100.000	855,000.00	855,000.00
	05/01/2016	885,000.00	4.430%	100.000	885,000.00	885,000.00
	05/01/2017	925,000.00	4.900%	100.000	925,000.00	925,000.00
	05/01/2018	970,000.00	5.280%	100.000	970,000.00	970,000.00
	05/01/2019	1,025,000.00	5.590%	100.000	1,025,000.00	1,025,000.00
	05/01/2020	1,080,000.00	5.850%	100.000	1,080,000.00	1,080,000.00
	05/01/2021	1,145,000.00	6.060%	100.000	1,145,000.00	1,145,000.00
	05/01/2022	1,210,000.00	6.250%	100.000	1,210,000.00	1,210,000.00
	05/01/2023	1,290,000.00	6.400%	100.000	1,290,000.00	1,290,000.00
	05/01/2024	1,370,000.00	6.530%	100.000	1,370,000.00	1,370,000.00
	05/01/2025	1,460,000.00	6.610%	100.000	1,460,000.00	1,460,000.00
	05/01/2026	1,555,000.00	6.680%	100.000	1,555,000.00	1,555,000.00
		16,060,000.00			16,060,000.00	16,060,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	05/01/2026	6.680%	1,555,000.00	1,555,000.00			
Entire Issue			16,060,000.00	16,060,000.00	9.1748	5.9175%	6.0035%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	481,800.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Notes:

Preliminary, Subject to Change

Assumes MMD AAA Taxable as of 3/23/2010 + 24 to 63 bps

Total Costs of Issuance are 3.0% of total par (COI + UD)

Capitalized Interest through 11/1/2010

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Date	Total Debt Service	Capitalized Interest	Net Debt Service
11/01/2011	574,907.33	574,907.33	
05/01/2012	1,086,180.50		1,086,180.50
11/01/2012	426,202.50		426,202.50
05/01/2013	1,236,202.50		1,236,202.50
11/01/2013	416,604.00		416,604.00
05/01/2014	1,241,604.00		1,241,604.00
11/01/2014	403,362.75		403,362.75
05/01/2015	1,258,362.75		1,258,362.75
11/01/2015	386,818.50		386,818.50
05/01/2016	1,271,818.50		1,271,818.50
11/01/2016	367,215.75		367,215.75
05/01/2017	1,292,215.75		1,292,215.75
11/01/2017	344,553.25		344,553.25
05/01/2018	1,314,553.25		1,314,553.25
11/01/2018	318,945.25		318,945.25
05/01/2019	1,343,945.25		1,343,945.25
11/01/2019	290,296.50		290,296.50
05/01/2020	1,370,296.50		1,370,296.50
11/01/2020	258,706.50		258,706.50
05/01/2021	1,403,706.50		1,403,706.50
11/01/2021	224,013.00		224,013.00
05/01/2022	1,434,013.00		1,434,013.00
11/01/2022	186,200.50		186,200.50
05/01/2023	1,476,200.50		1,476,200.50
11/01/2023	144,920.50		144,920.50
05/01/2024	1,514,920.50		1,514,920.50
11/01/2024	100,190.00		100,190.00
05/01/2025	1,560,190.00		1,560,190.00
11/01/2025	51,937.00		51,937.00
05/01/2026	1,606,937.00		1,606,937.00
	24,906,019.83	574,907.33	24,331,112.50

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Notes:

Preliminary, Subject to Change

Assumes MMD AAA Taxable as of 3/23/2010 + 24 to 63 bps

Total Costs of Issuance are 3.0% of total par (COI + UD)

Capitalized Interest through 11/1/2010

CAPITALIZED INTEREST FUND

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee

Capitalized Interest (CAPI)

Date	Deposit	Interest @ 0.28%	Principal	Scheduled Draws	Balance
03/01/2011	573,835.79				573,835.79
05/01/2011		267.79	(267.79)		574,103.58
11/01/2011		803.75	574,103.58	574,907.33	
	573,835.79	1,071.54	573,835.79	574,907.33	

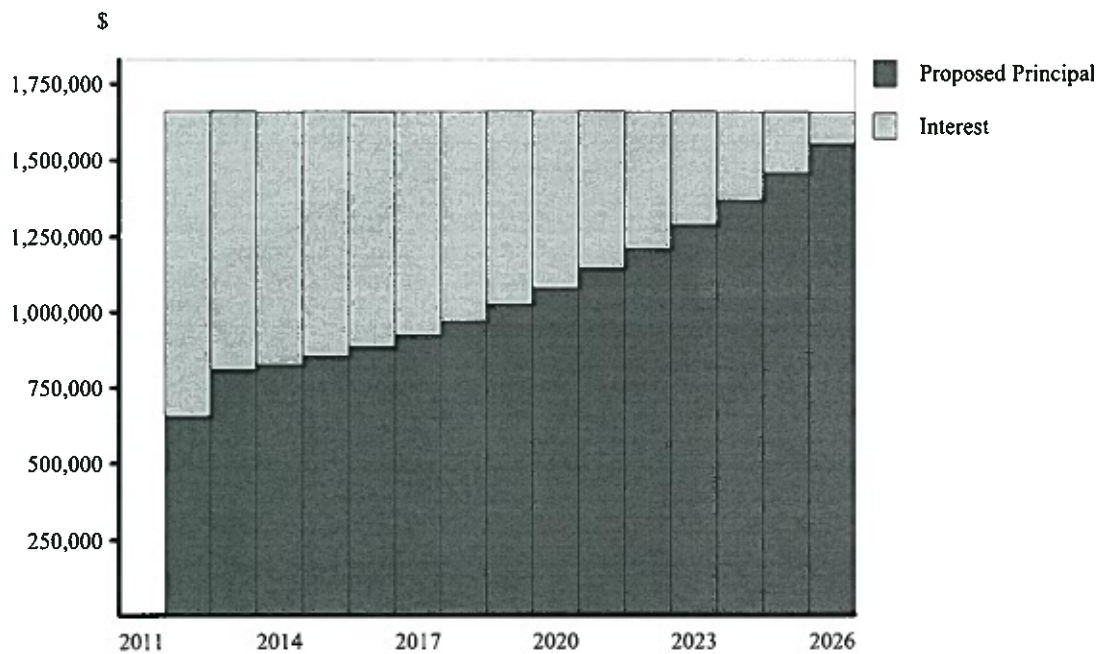
Yield To Receipt Date: 0.2800340%
Arbitrage Yield: 5.9174848%
Value of Negative Arbitrage: 20,850.55

Notes:

Preliminary, Subject to Change
Assumes MMD AAA Taxable as of 3/23/2010 + 24 to 63 bps
Total Costs of Issuance are 3.0% of total par (COI + UD)
Capitalized Interest through 11/1/2010

BOND SOLUTION CHART

County of Santa Barbara
Series of 2011 Federal Home Loan Guarantee



Notes:

Preliminary, Subject to Change
Assumes MMD AAA Taxable as of 3/23/2010 + 24 to 63 bps
Total Costs of Issuance are 3.0% of total par (COI + UD)
Capitalized Interest through 11/1/2010

Alternative D1

Five-year notes sold to County
Treasury Investment Pool, at 7.0% rate.

SOURCES AND USES OF FUNDS

County of Santa Barbara
Series of 2011 5 Year County Pool Holding Program

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	17,925,000.00
	<hr/>
	17,925,000.00
	<hr/> <hr/>

Uses:

<hr/>	
Project Fund Deposits:	
Project Fund	15,000,000.00
Other Fund Deposits:	
Capitalized Interest	815,379.43
Debt Service Reserve Fund	<u>1,792,500.00</u>
	2,607,879.43
Delivery Date Expenses:	
Cost of Issuance	313,687.50
Other Uses of Funds:	
Additional Proceeds	<u>3,433.07</u>
	<hr/>
	17,925,000.00
	<hr/> <hr/>

Notes:

Preliminary, Subject to Change
Assumes 7% Borrowing Rate
Total Costs of Issuance are 1.75% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 5 Year County Pool Holding Program

Dated Date	03/01/2011
Delivery Date	03/01/2011
Last Maturity	05/01/2016
Arbitrage Yield	6.991017%
True Interest Cost (TIC)	6.991017%
Net Interest Cost (NIC)	7.000000%
All-In TIC	7.607762%
Average Coupon	7.000000%
Average Life (years)	3.325
Duration of Issue (years)	2.973
Par Amount	17,925,000.00
Bond Proceeds	17,925,000.00
Total Interest	4,172,175.00
Net Interest	4,172,175.00
Total Debt Service	22,097,175.00
Maximum Annual Debt Service	4,422,000.00
Average Annual Debt Service	4,276,872.58
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	17,925,000.00	100.000	7.000%	3.325	5,175.35
	17,925,000.00			3.325	5,175.35

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 5 Year County Pool Holding Program

	TIC	All-In TIC	Arbitrage Yield
Par Value	17,925,000.00	17,925,000.00	17,925,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(313,687.50)	
- Other Amounts			
Target Value	17,925,000.00	17,611,312.50	17,925,000.00
Target Date	03/01/2011	03/01/2011	03/01/2011
Yield	6.991017%	7.607762%	6.991017%

Notes:

Preliminary, Subject to Change
Assumes 7% Borrowing Rate
Total Costs of Issuance are 1.75% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND PRICING

County of Santa Barbara
Series of 2011 5 Year County Pool Holding Program

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	05/01/2012	2,955,000	7.000%	7.000%	100.000
	05/01/2013	3,370,000	7.000%	7.000%	100.000
	05/01/2014	3,610,000	7.000%	7.000%	100.000
	05/01/2015	3,860,000	7.000%	7.000%	100.000
	05/01/2016	4,130,000	7.000%	7.000%	100.000
		17,925,000			

Dated Date	03/01/2011	
Delivery Date	03/01/2011	
First Coupon	11/01/2011	
Par Amount	17,925,000.00	
Original Issue Discount		
Production	17,925,000.00	100.000000%
Underwriter's Discount		
Purchase Price	17,925,000.00	100.000000%
Accrued Interest		
Net Proceeds	17,925,000.00	

Notes:

Preliminary, Subject to Change
Assumes 7% Borrowing Rate
Total Costs of Issuance are 1.75% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 5 Year County Pool Holding Program

Date	Debt Service	Present Value to 03/01/2011 @ 6.9910169%
11/01/2011	836,500.00	799,043.84
05/01/2012	3,582,375.00	3,306,390.97
11/01/2012	523,950.00	467,252.36
05/01/2013	3,893,950.00	3,355,293.58
11/01/2013	406,000.00	338,021.78
05/01/2014	4,016,000.00	3,230,657.03
11/01/2014	279,650.00	217,365.43
05/01/2015	4,139,650.00	3,108,978.86
11/01/2015	144,550.00	104,894.02
05/01/2016	4,274,550.00	2,997,102.13
	22,097,175.00	17,925,000.00

Proceeds Summary

Delivery date	03/01/2011
Par Value	17,925,000.00
Target for yield calculation	17,925,000.00

Notes:

Preliminary, Subject to Change
Assumes 7% Borrowing Rate
Total Costs of Issuance are 1.75% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 5 Year County Pool Holding Program

Dated Date 03/01/2011
Delivery Date 03/01/2011

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	05/01/2012	2,955,000.00	7.000%	100.000	2,955,000.00	2,955,000.00
	05/01/2013	3,370,000.00	7.000%	100.000	3,370,000.00	3,370,000.00
	05/01/2014	3,610,000.00	7.000%	100.000	3,610,000.00	3,610,000.00
	05/01/2015	3,860,000.00	7.000%	100.000	3,860,000.00	3,860,000.00
	05/01/2016	4,130,000.00	7.000%	100.000	4,130,000.00	4,130,000.00
		17,925,000.00			17,925,000.00	17,925,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	05/01/2016	7.000%	4,130,000.00	4,130,000.00			
Entire Issue			17,925,000.00	17,925,000.00	3.3251	6.9910%	7.0000%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	313,687.50
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	1,792,500.00

Notes:

Preliminary, Subject to Change
Assumes 7% Borrowing Rate
Total Costs of Issuance are 1.75% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 5 Year County Pool Holding Program

Date	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest	Net Debt Service
11/01/2011	836,500		836,500	
05/01/2012	3,582,375	14,698.50		3,567,676.50
11/01/2012	523,950	14,698.50		509,251.50
05/01/2013	3,893,950	14,698.50		3,879,251.50
11/01/2013	406,000	14,698.50		391,301.50
05/01/2014	4,016,000	14,698.50		4,001,301.50
11/01/2014	279,650	14,698.50		264,951.50
05/01/2015	4,139,650	14,698.50		4,124,951.50
11/01/2015	144,550	14,698.50		129,851.50
05/01/2016	4,274,550	1,807,198.50		2,467,351.50
	22,097,175	1,924,786.50	836,500	19,335,888.50

Notes:

- Preliminary, Subject to Change
- Assumes 7% Borrowing Rate
- Total Costs of Issuance are 1.75% of total par (COI + UD)
- Capitalized Interest through 11/1/2010
- Debt Service Reserve Fund sized using Lesser of 3 Test

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 5 Year County Pool Holding Program

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 1.64%	Principal	Capitalized Interest	Debt Service	Balance
03/01/2011	1,792,500					1,792,500
05/01/2011		4,899.50		(4,899.50)		1,792,500
11/01/2011		14,698.50		(14,698.50)		1,792,500
05/01/2012		14,698.50			(14,698.50)	1,792,500
11/01/2012		14,698.50			(14,698.50)	1,792,500
05/01/2013		14,698.50			(14,698.50)	1,792,500
11/01/2013		14,698.50			(14,698.50)	1,792,500
05/01/2014		14,698.50			(14,698.50)	1,792,500
11/01/2014		14,698.50			(14,698.50)	1,792,500
05/01/2015		14,698.50			(14,698.50)	1,792,500
11/01/2015		14,698.50			(14,698.50)	1,792,500
05/01/2016		14,698.50	1,792,500		(1,807,198.50)	
	1,792,500	151,884.50	1,792,500	(19,598.00)	(1,924,786.50)	

Yield To Receipt Date: 1.6401503%
Arbitrage Yield: 6.9910169%
Value of Negative Arbitrage: 409,967.35

Notes:

Preliminary, Subject to Change
Assumes 7% Borrowing Rate
Total Costs of Issuance are 1.75% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

CAPITALIZED INTEREST FUND

County of Santa Barbara
Series of 2011 5 Year County Pool Holding Program

Capitalized Interest (CAPI)

Date	Deposit	Interest @ 0.28%	Principal	Debt Service Reserve Fund	Scheduled Draws	Balance
03/01/2011	815,379.43					815,379.43
05/01/2011		380.51	(5,280.01)	4,899.50		820,659.44
11/01/2011		1,142.06	820,659.44	14,698.50	836,500	
	815,379.43	1,522.57	815,379.43	19,598.00	836,500	

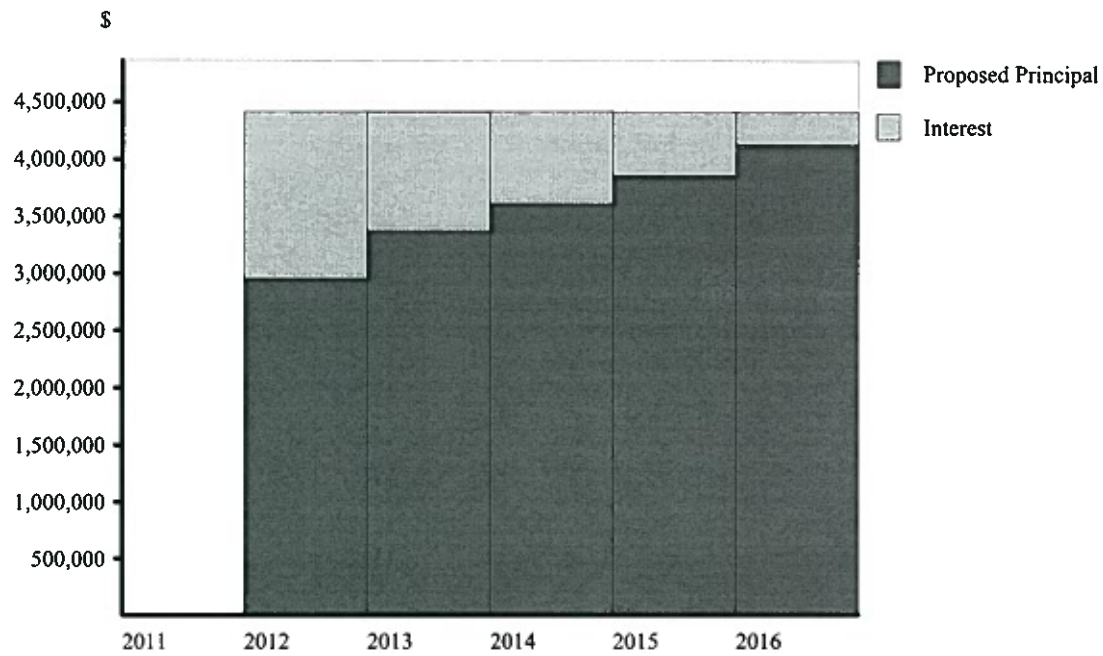
Yield To Receipt Date: 0.2775316%
Arbitrage Yield: 6.9910169%
Value of Negative Arbitrage: 35,383.23

Notes:

Preliminary, Subject to Change
Assumes 7% Borrowing Rate
Total Costs of Issuance are 1.75% of total par (COI + UD)
Capitalized Interest through 11/1/2010
Debt Service Reserve Fund sized using Lesser of 3 Test

BOND SOLUTION CHART

County of Santa Barbara
Series of 2011 5 Year County Pool Holding Program



Notes:

- Preliminary, Subject to Change
- Assumes 7% Borrowing Rate
- Total Costs of Issuance are 1.75% of total par (COI + UD)
- Capitalized Interest through 11/1/2010
- Debt Service Reserve Fund sized using Lesser of 3 Test

Alternative E1

Qualified Energy Conservation Bonds with taxable tail
to cover reserve fund and capitalized interest, rated BBB.

SOURCES AND USES OF FUNDS

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Sources:	Qualified Energy Bonds NO DSRF and NO CAPI	Series of 2011 Taxable DSRF and CAPI Bonds	Total
Bond Proceeds:			
Par Amount	15,310,000.00	2,105,000.00	17,415,000.00
	15,310,000.00	2,105,000.00	17,415,000.00
Uses:			
Project Fund Deposits:			
Project Fund	15,000,000.00		15,000,000.00
Other Fund Deposits:			
Debt Service Reserve Fund		1,741,500.00	1,741,500.00
Capitalized Interest		318,187.27	318,187.27
		2,059,687.27	2,059,687.27
Delivery Date Expenses:			
Cost of Issuance	306,200.00	42,100.00	348,300.00
Other Uses of Funds:			
Additional Proceeds	3,800.00	3,212.73	7,012.73
	15,310,000.00	2,105,000.00	17,415,000.00

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 2.0% of total par (COI + UD)

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Dated Date	03/01/2011
Delivery Date	03/01/2011
Last Maturity	05/01/2026
Arbitrage Yield	3.546865%
True Interest Cost (TIC)	6.991032%
Net Interest Cost (NIC)	7.091063%
All-In TIC	3.824229%
Average Coupon	7.091063%
Average Life (years)	8.745
Duration of Issue (years)	6.404
Par Amount	17,415,000.00
Bond Proceeds	17,415,000.00
Total Interest	10,798,802.58
Net Interest	10,798,802.58
Total Debt Service	28,213,802.58
Maximum Annual Debt Service	2,213,205.58
Average Annual Debt Service	1,860,250.72
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	17,415,000.00	100.000	7.091%	8.745	10,523.30
	17,415,000.00			8.745	10,523.30

BOND SUMMARY STATISTICS

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

	TIC	All-In TIC	Arbitrage Yield
Par Value	17,415,000.00	17,415,000.00	17,415,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(348,300.00)	
- Other Amounts			
Target Value	17,415,000.00	17,066,700.00	17,415,000.00
Target Date	03/01/2011	03/01/2011	03/01/2011
Yield	6.991032%	3.824229%	3.546865%

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 2.0% of total par (COI + UD)

BOND PRICING

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Qualified Energy Bonds NO DSRF and NO CAPI, Serial Bonds:					
	05/01/2012	825,000	3.710%	3.710%	100.000
	05/01/2013	900,000	4.110%	4.110%	100.000
	05/01/2014	910,000	4.680%	4.680%	100.000
	05/01/2015	925,000	5.240%	5.240%	100.000
	05/01/2016	940,000	5.700%	5.700%	100.000
	05/01/2017	955,000	6.070%	6.070%	100.000
	05/01/2018	975,000	6.400%	6.400%	100.000
	05/01/2019	995,000	6.730%	6.730%	100.000
	05/01/2020	1,025,000	7.000%	7.000%	100.000
	05/01/2021	1,050,000	7.210%	7.210%	100.000
	05/01/2022	1,085,000	7.380%	7.380%	100.000
	05/01/2023	1,120,000	7.510%	7.510%	100.000
	05/01/2024	1,160,000	7.620%	7.620%	100.000
	05/01/2025	1,200,000	7.720%	7.720%	100.000
	05/01/2026	1,245,000	7.800%	7.800%	100.000
		<u>15,310,000</u>			
Series of 2011 Taxable DSRF and CAPI Bonds, Serial Bonds:					
	05/01/2012	70,000	3.710%	3.710%	100.000
	05/01/2013	100,000	4.110%	4.110%	100.000
	05/01/2014	100,000	4.680%	4.680%	100.000
	05/01/2015	105,000	5.240%	5.240%	100.000
	05/01/2016	110,000	5.700%	5.700%	100.000
	05/01/2017	120,000	6.070%	6.070%	100.000
	05/01/2018	125,000	6.400%	6.400%	100.000
	05/01/2019	135,000	6.730%	6.730%	100.000
	05/01/2020	140,000	7.000%	7.000%	100.000
	05/01/2021	150,000	7.210%	7.210%	100.000
	05/01/2022	165,000	7.380%	7.380%	100.000
	05/01/2023	175,000	7.510%	7.510%	100.000
	05/01/2024	190,000	7.620%	7.620%	100.000
	05/01/2025	200,000	7.720%	7.720%	100.000
	05/01/2026	220,000	7.800%	7.800%	100.000
		<u>2,105,000</u>			
		<u>17,415,000</u>			

BOND PRICING

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Dated Date	03/01/2011	
Delivery Date	03/01/2011	
First Coupon	11/01/2011	
Par Amount	17,415,000.00	
Original Issue Discount		
Production	17,415,000.00	100.000000%
Underwriter's Discount		
Purchase Price	17,415,000.00	100.000000%
Accrued Interest		
Net Proceeds	17,415,000.00	

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 2.0% of total par (COI + UD)

BOND DEBT SERVICE BREAKDOWN

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Date	Qualified Energy Bonds NO DSRF and NO CAPI	Series of 2011 Taxable DSRF and CAPI Bonds	Total	Annual Total
11/01/2011	659,566.33	93,694.00	753,260.33	
05/01/2012	1,319,674.75	140,270.50	1,459,945.25	2,213,205.58
11/01/2012	479,371.00	68,972.00	548,343.00	
05/01/2013	1,379,371.00	168,972.00	1,548,343.00	2,096,686.00
11/01/2013	460,876.00	66,917.00	527,793.00	
05/01/2014	1,370,876.00	166,917.00	1,537,793.00	2,065,586.00
11/01/2014	439,582.00	64,577.00	504,159.00	
05/01/2015	1,364,582.00	169,577.00	1,534,159.00	2,038,318.00
11/01/2015	415,347.00	61,826.00	477,173.00	
05/01/2016	1,355,347.00	171,826.00	1,527,173.00	2,004,346.00
11/01/2016	388,557.00	58,691.00	447,248.00	
05/01/2017	1,343,557.00	178,691.00	1,522,248.00	1,969,496.00
11/01/2017	359,572.75	55,049.00	414,621.75	
05/01/2018	1,334,572.75	180,049.00	1,514,621.75	1,929,243.50
11/01/2018	328,372.75	51,049.00	379,421.75	
05/01/2019	1,323,372.75	186,049.00	1,509,421.75	1,888,843.50
11/01/2019	294,891.00	46,506.25	341,397.25	
05/01/2020	1,319,891.00	186,506.25	1,506,397.25	1,847,794.50
11/01/2020	259,016.00	41,606.25	300,622.25	
05/01/2021	1,309,016.00	191,606.25	1,500,622.25	1,801,244.50
11/01/2021	221,163.50	36,198.75	257,362.25	
05/01/2022	1,306,163.50	201,198.75	1,507,362.25	1,764,724.50
11/01/2022	181,127.00	30,110.25	211,237.25	
05/01/2023	1,301,127.00	205,110.25	1,506,237.25	1,717,474.50
11/01/2023	139,071.00	23,539.00	162,610.00	
05/01/2024	1,299,071.00	213,539.00	1,512,610.00	1,675,220.00
11/01/2024	94,875.00	16,300.00	111,175.00	
05/01/2025	1,294,875.00	216,300.00	1,511,175.00	1,622,350.00
11/01/2025	48,555.00	8,580.00	57,135.00	
05/01/2026	1,293,555.00	228,580.00	1,522,135.00	1,579,270.00
	24,684,995.08	3,528,807.50	28,213,802.58	28,213,802.58

BOND DEBT SERVICE BREAKDOWN

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 2.0% of total par (COI + UD)

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Dated Date 03/01/2011
Delivery Date 03/01/2011

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	05/01/2012	895,000.00	3.710%	100.000	895,000.00	895,000.00
	05/01/2013	1,000,000.00	4.110%	100.000	1,000,000.00	1,000,000.00
	05/01/2014	1,010,000.00	4.680%	100.000	1,010,000.00	1,010,000.00
	05/01/2015	1,030,000.00	5.240%	100.000	1,030,000.00	1,030,000.00
	05/01/2016	1,050,000.00	5.700%	100.000	1,050,000.00	1,050,000.00
	05/01/2017	1,075,000.00	6.070%	100.000	1,075,000.00	1,075,000.00
	05/01/2018	1,100,000.00	6.400%	100.000	1,100,000.00	1,100,000.00
	05/01/2019	1,130,000.00	6.730%	100.000	1,130,000.00	1,130,000.00
	05/01/2020	1,165,000.00	7.000%	100.000	1,165,000.00	1,165,000.00
	05/01/2021	1,200,000.00	7.210%	100.000	1,200,000.00	1,200,000.00
	05/01/2022	1,250,000.00	7.380%	100.000	1,250,000.00	1,250,000.00
	05/01/2023	1,295,000.00	7.510%	100.000	1,295,000.00	1,295,000.00
	05/01/2024	1,350,000.00	7.620%	100.000	1,350,000.00	1,350,000.00
	05/01/2025	1,400,000.00	7.720%	100.000	1,400,000.00	1,400,000.00
	05/01/2026	1,465,000.00	7.800%	100.000	1,465,000.00	1,465,000.00
		17,415,000.00			17,415,000.00	17,415,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	05/01/2026	7.800%	1,465,000.00	1,465,000.00			
Entire Issue			17,415,000.00	17,415,000.00	8.7446	3.5469%	7.0911%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	348,300.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	1,741,500.00

FORM 8038 STATISTICS

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 2.0% of total par (COI + UD)

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Date	Debt Service	Expenses	Total	Present Value to 03/01/2011 @ 3.5468648%
11/01/2011	753,260.33	(393,147.30)	360,113.03	351,770.65
05/01/2012	1,459,945.25	(294,860.48)	1,165,084.77	1,118,262.79
11/01/2012	548,343.00	(284,147.85)	264,195.15	249,159.11
05/01/2013	1,548,343.00	(284,147.85)	1,264,195.15	1,171,471.22
11/01/2013	527,793.00	(271,201.35)	256,591.65	233,628.38
05/01/2014	1,537,793.00	(271,201.35)	1,266,591.65	1,133,144.47
11/01/2014	504,159.00	(256,295.55)	247,863.45	217,884.70
05/01/2015	1,534,159.00	(256,295.55)	1,277,863.45	1,103,733.61
11/01/2015	477,173.00	(239,331.05)	237,841.95	201,852.37
05/01/2016	1,527,173.00	(239,331.05)	1,287,841.95	1,073,923.98
11/01/2016	447,248.00	(220,578.05)	226,669.95	185,725.06
05/01/2017	1,522,248.00	(220,578.05)	1,301,669.95	1,047,955.91
11/01/2017	414,621.75	(201,091.28)	213,530.47	168,914.75
05/01/2018	1,514,621.75	(201,091.28)	1,313,530.47	1,020,971.08
11/01/2018	379,421.75	(181,196.40)	198,225.35	151,390.30
05/01/2019	1,509,421.75	(181,196.40)	1,328,225.35	996,726.97
11/01/2019	341,397.25	(160,893.43)	180,503.82	133,093.37
05/01/2020	1,506,397.25	(160,893.43)	1,345,503.82	974,811.25
11/01/2020	300,622.25	(139,978.30)	160,643.95	114,357.74
05/01/2021	1,500,622.25	(139,978.30)	1,360,643.95	951,724.50
11/01/2021	257,362.25	(118,553.05)	138,809.20	95,400.49
05/01/2022	1,507,362.25	(118,553.05)	1,388,809.20	937,865.36
11/01/2022	211,237.25	(96,413.63)	114,823.62	76,189.43
05/01/2023	1,506,237.25	(96,413.63)	1,409,823.62	919,165.79
11/01/2023	162,610.00	(73,560.03)	89,049.97	57,046.42
05/01/2024	1,512,610.00	(73,560.03)	1,439,049.97	905,807.89
11/01/2024	111,175.00	(49,890.23)	61,284.77	37,903.42
05/01/2025	1,511,175.00	(49,890.23)	1,461,284.77	888,027.14
11/01/2025	57,135.00	(25,404.23)	31,730.77	18,946.87
05/01/2026	1,522,135.00	(25,404.23)	1,496,730.77	878,144.98
	28,213,802.58	(5,325,076.64)	22,888,725.94	17,415,000.00

PROOF OF ARBITRAGE YIELD

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Proceeds Summary

Delivery date	03/01/2011
Par Value	17,415,000.00
	<hr/>
Target for yield calculation	17,415,000.00

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 2.0% of total par (COI + UD)

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Date	Total Debt Service	U.S. Treasury Subsidy	Debt Service Reserve Fund	Capitalized Interest	Net Debt Service
11/01/2011	753,260.33	(393,147.30)		360,113.03	
05/01/2012	1,459,945.25	(294,860.48)	30,998.70		1,134,086.07
11/01/2012	548,343.00	(284,147.85)	30,998.70		233,196.45
05/01/2013	1,548,343.00	(284,147.85)	30,998.70		1,233,196.45
11/01/2013	527,793.00	(271,201.35)	30,998.70		225,592.95
05/01/2014	1,537,793.00	(271,201.35)	30,998.70		1,235,592.95
11/01/2014	504,159.00	(256,295.55)	30,998.70		216,864.75
05/01/2015	1,534,159.00	(256,295.55)	30,998.70		1,246,864.75
11/01/2015	477,173.00	(239,331.05)	30,998.70		206,843.25
05/01/2016	1,527,173.00	(239,331.05)	30,998.70		1,256,843.25
11/01/2016	447,248.00	(220,578.05)	30,998.70		195,671.25
05/01/2017	1,522,248.00	(220,578.05)	30,998.70		1,270,671.25
11/01/2017	414,621.75	(201,091.28)	30,998.70		182,531.77
05/01/2018	1,514,621.75	(201,091.28)	30,998.70		1,282,531.77
11/01/2018	379,421.75	(181,196.40)	30,998.70		167,226.65
05/01/2019	1,509,421.75	(181,196.40)	30,998.70		1,297,226.65
11/01/2019	341,397.25	(160,893.43)	30,998.70		149,505.12
05/01/2020	1,506,397.25	(160,893.43)	30,998.70		1,314,505.12
11/01/2020	300,622.25	(139,978.30)	30,998.70		129,645.25
05/01/2021	1,500,622.25	(139,978.30)	30,998.70		1,329,645.25
11/01/2021	257,362.25	(118,553.05)	30,998.70		107,810.50
05/01/2022	1,507,362.25	(118,553.05)	30,998.70		1,357,810.50
11/01/2022	211,237.25	(96,413.63)	30,998.70		83,824.92
05/01/2023	1,506,237.25	(96,413.63)	30,998.70		1,378,824.92
11/01/2023	162,610.00	(73,560.03)	30,998.70		58,051.27
05/01/2024	1,512,610.00	(73,560.03)	30,998.70		1,408,051.27
11/01/2024	111,175.00	(49,890.23)	30,998.70		30,286.07
05/01/2025	1,511,175.00	(49,890.23)	30,998.70		1,430,286.07
11/01/2025	57,135.00	(25,404.23)	30,998.70		732.07
05/01/2026	1,522,135.00	(25,404.23)	30,998.70		1,465,732.07
	28,213,802.58	(5,325,076.64)	898,962.30	360,113.03	21,629,650.61

NET DEBT SERVICE

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 2.0% of total par (COI + UD)

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Date	Deposit	Interest @ 3.56%	Principal	Capitalized Interest	Debt Service	Balance
03/01/2011	1,741,500					1,741,500
05/01/2011		10,332.90		(10,332.90)		1,741,500
11/01/2011		30,998.70		(30,998.70)		1,741,500
05/01/2012		30,998.70			(30,998.70)	1,741,500
11/01/2012		30,998.70			(30,998.70)	1,741,500
05/01/2013		30,998.70			(30,998.70)	1,741,500
11/01/2013		30,998.70			(30,998.70)	1,741,500
05/01/2014		30,998.70			(30,998.70)	1,741,500
11/01/2014		30,998.70			(30,998.70)	1,741,500
05/01/2015		30,998.70			(30,998.70)	1,741,500
11/01/2015		30,998.70			(30,998.70)	1,741,500
05/01/2016		30,998.70			(30,998.70)	1,741,500
11/01/2016		30,998.70			(30,998.70)	1,741,500
05/01/2017		30,998.70			(30,998.70)	1,741,500
11/01/2017		30,998.70			(30,998.70)	1,741,500
05/01/2018		30,998.70			(30,998.70)	1,741,500
11/01/2018		30,998.70			(30,998.70)	1,741,500
05/01/2019		30,998.70			(30,998.70)	1,741,500
11/01/2019		30,998.70			(30,998.70)	1,741,500
05/01/2020		30,998.70			(30,998.70)	1,741,500
11/01/2020		30,998.70			(30,998.70)	1,741,500
05/01/2021		30,998.70			(30,998.70)	1,741,500
11/01/2021		30,998.70			(30,998.70)	1,741,500
05/01/2022		30,998.70			(30,998.70)	1,741,500
11/01/2022		30,998.70			(30,998.70)	1,741,500
05/01/2023		30,998.70			(30,998.70)	1,741,500
11/01/2023		30,998.70			(30,998.70)	1,741,500
05/01/2024		30,998.70			(30,998.70)	1,741,500
11/01/2024		30,998.70			(30,998.70)	1,741,500
05/01/2025		30,998.70			(30,998.70)	1,741,500
11/01/2025		30,998.70			(30,998.70)	1,741,500
05/01/2026		30,998.70	1,741,500		(30,998.70)	
	1,741,500	940,293.90	1,741,500	(41,331.60)	(898,962.30)	

DEBT SERVICE RESERVE FUND

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Yield To Receipt Date:	3.5602977%
Arbitrage Yield:	3.5468648%
Value of Positive Arbitrage:	2,725.59

Notes:

Preliminary, Subject to Change

Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps

Total Costs of Issuance are 2.0% of total par (COI + UD)

CAPITALIZED INTEREST FUND

County of Santa Barbara
Series of 2011 CAPI & DSRF Taxable Funded

Date	Deposit	Interest @ 0.28%	Principal	Debt Service Reserve Fund	Scheduled Draws	Balance
03/01/2011	318,187.27					318,187.27
05/01/2011		148.49	(10,481.39)	10,332.90		328,668.66
11/01/2011		445.67	328,668.66	30,998.70	360,113.03	
	318,187.27	594.16	318,187.27	41,331.60	360,113.03	

Yield To Receipt Date: 0.2670323%
 Arbitrage Yield: 3.5468648%
 Value of Negative Arbitrage: 7,148.73

Notes:

Preliminary, Subject to Change
 Assumes MMD BBB Taxable as of 3/23/2010 + 100 bps
 Total Costs of Issuance are 2.0% of total par (COI + UD)