

\$ _____
COUNTY OF SANTA BARBARA
2012-2013 TAX AND REVENUE ANTICIPATION NOTES,
SERIES A

CONTRACT OF PURCHASE

_____, 2012

Santa Barbara County Board of Supervisors
105 E. Anapamu
Santa Barbara, CA 93101

Ladies and Gentlemen:

The undersigned (the “Underwriter”) offers to enter into this Contract of Purchase (the “Contract of Purchase”) with the County of Santa Barbara (the “County”). This offer is made subject to written acceptance by the County prior to 11:59 p.m., Pacific Daylight Time, on the date hereof, and, upon such acceptance, this Contract of Purchase will be binding upon the County and the Underwriter.

1. Purchase and Sale of the Notes. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the County’s 2012-2013 Tax and Revenue Anticipation Notes, Series A (the “Notes”), in the aggregate principal amount of \$_____. The aggregate purchase price to be paid by the Underwriter for the Notes shall be \$_____, being the principal amount of the Notes, [less net original issue discount] [plus net original issue premium] of \$_____, less an Underwriter’s discount of \$_____, (which discount includes costs of issuance in the amount of \$_____ to be paid by the Underwriter at the direction of the County).

2. The Notes. The Notes shall be dated their date of issuance, shall mature on _____, 2013, and are being issued under a resolution adopted by the Board of Supervisors of the County (the “Resolution”), in full conformity with the Constitution and laws of the State of California including Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the “Act”), as amended and supplemented. The Notes shall be payable in the amounts, and bear interest at the rates, set forth in Exhibit A hereto. The Notes will be registered initially in the name of “Cede & Co.” as nominee of The Depository Trust Company (“DTC”) in New York, N.Y., the securities depository for the Notes.

3. Use of Documents. The County has delivered to the Underwriter copies of its Preliminary Official Statement dated _____, 2012 (the “Preliminary Official Statement”).

As of its date, such Preliminary Official Statement has been “deemed final” by the County for purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), except for information permitted to be omitted by said Rule. The County agrees to deliver to the Underwriter a final Official Statement, dated the date hereof (the “Official Statement”) within 7 business days from the date hereof and in sufficient time to accompany any confirmations requesting payment sent to purchasers. The number of Official Statements so delivered will be sufficient to comply with the requirements of paragraph (b)(4) of the Rule and the Rules of the Municipal Securities Rulemaking Board (the “MSRB”). The County has approved the distribution by the Underwriter of the Official Statement and the County hereby authorizes the Underwriter to use, in connection with the offer and sale of the Notes, the Official Statement and the Resolution and all information contained herein and therein and all other documents, agreements, certificates or statements furnished by the County to the Underwriter or entered into in connection with the transactions contemplated by this Contract of Purchase.

The County will undertake, pursuant to a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), to provide notices of the occurrence of certain events, if material. A description of such undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

4. Public Offering of the Notes. The Underwriter agrees to make a bona fide public offering of the Notes at the price or yield set forth on the cover of the Official Statement. The Underwriter may offer and sell the Notes to certain dealers and banks at prices lower than the public offering price stated on the cover of the Official Statement and said public offering price may be changed from time to time by the Underwriter.

The County acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Contract of Purchase is an arm’s-length commercial transaction between the County and the Underwriter, (ii) in connection with such transaction the Underwriter has not assumed a fiduciary responsibility in favor of the County with respect to (x) the offering of the Notes or the process leading thereto (whether or not the Underwriter has advised or is currently advising the County on other matters) or (y) any other obligation to the County except the obligations expressly set forth in this Contract of Purchase, and (iii) the County has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Notes.

5. Closing. At 8:00 a.m., Pacific Daylight Time, on _____, 2012, or at such other time and on such other date as shall have been mutually agreed upon by the County and the Underwriter (the “Issue Date”), the County will deliver to the Underwriter, through the facilities of DTC, the Notes in registered form duly executed and other documents hereinafter mentioned, and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds to the order of the County (the “Closing”).

6. Representations, Warranties and Agreements of the County. The County hereby represents, warrants and agrees with the Underwriter that:

(A) The County is a political subdivision, organized and existing pursuant to the Constitution and laws of the State of California (the “State”), and has all requisite right, power and authority to conduct its business, to adopt the Resolution, to issue the Notes and to execute this Contract of Purchase and the Continuing Disclosure Certificate (collectively, the “Documents”), and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by the Documents.

(B) (i) At or prior to the Closing, the County will have taken all actions required to be taken by it to authorize the issuance and delivery of the Notes; (ii) the execution and delivery of the Notes and the Documents, the adoption by the County of the Resolution, and the performance by the County of the obligations contained in the Documents, have been duly authorized and such authorization will be in full force and effect at the time of the Closing; (iii) this Contract of Purchase has been duly executed and delivered and constitutes the valid and legally binding obligation of the County enforceable against the County in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws in effect for the protection of debtors and by application of general principles of equity; (iv) the Board of Supervisors has duly authorized the consummation by the County of all transactions contemplated by the Documents and the Resolution; and (v) the County has authorized and approved the Preliminary Official Statement and the Official Statement and the distribution thereof by the Underwriter.

(C) No consent, approval, authorization, license, order, filing, registration, qualification, election or referendum, of or by any person, organization, State court or State governmental agency or public body whatsoever is required for the consummation of the transactions contemplated hereby, except for such actions as have been taken or as may be necessary to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may designate (except that the County shall not be responsible for the failure to comply with any such laws of regulations with regard to Blue Sky).

(D) Except as otherwise disclosed in the Official Statement, to the best knowledge of the County, based upon reasonable inquiry, as of the time of acceptance hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before any State court or public body, pending or threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the County or the entitlement of the officials of the County to their respective offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Notes, the application of the proceeds of the sale of the Notes, or the collection of revenues or taxes of the County pledged or to be pledged or available to pay the principal of and interest on the Notes, or the pledge thereof, or in any way contesting the validity of the Notes or the

Documents, or contesting the powers or authority of the County with respect to the Notes or the Documents; or (iii) in which a final adverse decision would (a) materially adversely affect the consummation of the transactions contemplated by the Documents, or (b) declare the Documents to be invalid or unenforceable in whole or in material part.

(E) As of the date thereof, the Preliminary Official Statement with respect to the information therein regarding the County did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for information permitted to be omitted therefrom by the Rule 15c2-12.

(F) As of the date thereof, the Official Statement with respect to the information therein regarding the County does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If between the date of the Official Statement and the Closing (i) any event shall occur or any pre-existing fact or condition shall become known which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall promptly notify the Underwriter thereof, and (ii) if in the reasonable opinion of the Underwriter and the County, such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its expense supplement or amend the Official Statement in a form and in a manner jointly approved by the Underwriter and the County, which approval shall not be unreasonably withheld.

(G) The County undertakes that, for a period beginning with the day on which the Notes are delivered to the Underwriter and ending on the earlier of (i) the 25th day following the end of the underwriting period, as defined in the Rule under the Securities Exchange Act of 1934, or (ii) 90 days following Closing, it will (a) apprise the Underwriter of all material developments, if any, occurring with respect to the County and (b) if determined by the County or requested by the Underwriter, prepare a supplement to the Official Statement in respect of any such material event. The period described in the preceding sentence shall be reduced to twenty-five (25) days if the Official Statement has been deposited with a nationally recognized municipal securities information depository and is available from such depository upon request. The Underwriter hereby agrees to use its best efforts to deposit the Official Statement with the MSRB so that such period will be reduced to twenty-five (25) days. Unless otherwise notified in writing by the Underwriter, the County may assume that the end of this underwriting period occurs on the date when the County delivers the Notes to the Underwriter.

(H) Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued any bonds, notes or other obligations for borrowed money except as may be described in or contemplated by the Official Statement.

(I) Any certificates signed by any official of the County and delivered to the Underwriter shall be deemed a representation and warranty by the County to the Underwriter as to the statements made therein but not of the person signing the same.

(J) The County will punctually pay or cause to be paid the principal of and interest to become due on the Notes in strict conformity with the terms of the Resolution and the Notes and it will faithfully observe and perform all of the conditions, covenants and requirements of the Notes and the Documents.

(K) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order (i) to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions and will, if requested by the Underwriter, use its best efforts to continue such qualifications in effect so long as required for distribution of the Notes; provided that the County shall not be required to pay any fees in connection with the foregoing or to subject itself to service of process in any jurisdiction in which it is not presently so subject.

(L) Between the date hereof and the Closing, the County will not modify or amend the Resolution without the prior written consent of the Underwriter.

(M) The County will enter into the Continuing Disclosure Certificate in order to provide the information required therein. Except as disclosed in the Official Statement, the County has not failed to comply in all material respects with a continuing undertaking under the Rule during the previous five years.

(N) The Notes will be issued only under and within the limits of the Act, and, as such, are general obligations of the County, but payable only out of certain taxes, income, revenue, cash receipts and other moneys to be received by the County attributable to County fiscal year 2012-2013.

(O) The County's Comprehensive Annual Financial Report (CAFR) as of June 30, 2011, for the fiscal year ended on such date, as described or set forth, as appropriate, in the Official Statement, is true, complete and correct and fairly present the financial condition of the County as of such date and the results of its operations for such fiscal year. There has been no material adverse change in the financial condition of the County since June 30, 2011, except as described in the CAFR or the Official Statement.

7. Conditions to Obligations of Underwriter at Closing. The Underwriter has entered into this Contract of Purchase in reliance upon the representations and warranties of the County contained herein and the performance by the County of its obligations hereunder, as of the date hereof and as of the Closing. The obligation of the Underwriter to purchase the Notes at the Closing is subject to the following further conditions, any or all of which can be waived by the Underwriter in writing:

(A) The representations and warranties of the County contained herein shall be true and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing and otherwise pursuant hereto shall be true and correct in all material respects at and as of the Closing;

(B) At and as of the Closing (i) the Official Statement, this Contract of Purchase, the Continuing Disclosure Certificate and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been jointly agreed to in writing by the County and the Underwriter; (ii) all actions under the Act which, in the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County shall perform or have performed all of its obligations required under or specified in the Resolution or this Contract of Purchase to be performed at or prior to the Closing;

(C) To the best knowledge of the County, based on reasonable inquiry, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, is pending or threatened against the County which has any of the effects described in Paragraph 6(D) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(D) No order, decree or injunction of any court of competent jurisdiction, nor any order, ruling or regulation of the Securities and Exchange Commission, has been issued or made with the purpose or effect of prohibiting the issuance, offering or sale of the Notes as contemplated hereby and no legislation has been enacted, or a bill favorably reported for adoption, or a decision by any court rendered, or a ruling, regulation, proposed regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter has been made or issued, to the effect that the Notes or any other securities of the County or of any similar body of the type contemplated herein are not exempt from the registration, qualification or other requirements of the Securities Act and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect; and

(E) At or prior to the Closing, the Underwriter shall have received a copy of the following documents in each case dated at and as of the Closing and satisfactory in form and substance to the Underwriter:

(1) An approving opinion of Bond Counsel as to the Notes in the form attached to the Official Statement as APPENDIX C, addressed to the County and upon which the Underwriter may rely;

(2) A supplemental opinion of Bond Counsel, addressed to the Underwriter, to the effect that:

(i) the Purchase Contract has been duly executed and delivered by the County and is a valid and binding agreement of the County, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against counties in the State and except that no opinion need be expressed with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability;

(ii) the statements contained in the Official Statement in the sections thereof entitled "THE NOTES," "TAX MATTERS," and the Appendix containing the form of approving opinion, excluding any material that may be treated as included under such captions by cross-reference, insofar as such statements expressly summarize certain provisions of the Resolution and the Notes and the form and content of the approving opinion, are accurate in all material respects; and

(iii) the Notes are not subject to the registration requirements of Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(3) The certificate of the County, dated the Closing Date to the effect that:

(i) the County is a political subdivision duly organized and existing under the Constitution of the laws of the State;

(ii) the Resolution was duly adopted at a meeting of the Board of Supervisors which was called and held pursuant to law with all public notice required by law and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been amended, modified or rescinded;

(iii) the adoption of the Resolution and the execution and delivery of the Notes and the Documents and compliance with the provisions hereof and thereof, under the circumstances contemplated thereby and hereby, do not conflict with or constitute on the part of the County a material breach of or material default under any agreement or other instrument applicable or binding upon the County or any of its properties or any existing law, regulation, court order or consent decree to which the County or any of its properties is subject;

(iv) the County has full right and lawful authority to deliver the Official Statement, to execute and deliver the Notes, and to execute and deliver the Documents, to adopt the Resolution and the County has duly authorized, executed and delivered the Official Statement and the Documents;

(v) Except as otherwise disclosed in the Official Statement, to the best knowledge of the County, based on reasonable inquiry, there is no action, suit or proceeding, inquiry or investigation before or by any State court, public board or body, other than as disclosed in the Official Statement pending or, to the knowledge of the County, threatened against or affecting the County, (a) contesting in any way the completeness or accuracy of the Official Statement, or wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition of the County, the transactions contemplated by the Documents, the Resolution or by the Official Statement, or (b) which will adversely affect the validity or enforceability of, or the authority or ability of the County to perform its obligations under the Notes, the Documents, the Resolution, or any other agreement or instrument to which the County is a party and which is used or contemplated for use in consummation of the transactions contemplated by the Documents, the Resolution or the Official Statement; and

(vi) The representations and warranties of the County herein are true and correct in all material respects as of the date made and as of the date of the Closing, and the County has performed all its obligations required under or specified in the Resolution and the Documents to be performed at or prior to the Closing; and

(vii) Such official has reviewed the Official Statement and on such basis certifies that, to the best of his knowledge after reasonable inquiry, the Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(4) A certificate of the Clerk of the Board of Supervisors of the County, together with a fully executed copy of the Resolution, to the effect that:

(i) such copy is a true and correct copy of the Resolution; and

(ii) the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect at and as of the Closing, except for amendments, if any, adopted with the consent of the Underwriter;

(5) A non-arbitrage certification from the County in form and substance satisfactory to Bond Counsel, signed by an official of the County;

(6) Evidence from Standard & Poor's Ratings Group, a Division of The McGraw-Hill Companies, Inc. ("S&P") that the Notes have been rated "____," and that such rating continues in effect as of the Closing;

(7) Certified copies of the Resolution and one executed original of each of the documents and such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request in order to evidence compliance by the County with legal requirements, the truth and accuracy, at and as of the Closing, of the representations, warranties and agreements of the County herein contained and the statements contained in the Official Statement, and the due performance and satisfaction by the County at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the County;

(8) An opinion, dated the date of the Closing addressed to the Underwriter, of Nossaman LLP, counsel to the Underwriter, in such form as may be acceptable to the Underwriter; and

(9) Such additional certificates, instruments and other documents as the Underwriter may reasonably deem necessary.

8. Termination of Obligations of Underwriter. If the County shall be unable to satisfy the conditions set forth in Section 7 to the obligations of the Underwriter contained in this Contract of Purchase, the obligations of the Underwriter under this Contract of Purchase may be terminated by the Underwriter by notice to the County at, or at any time prior to, the Closing. Notwithstanding any provision herein to the contrary, the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing in its sole discretion.

The Underwriter shall also have the right to terminate, in its sole discretion, its obligations under this Contract of Purchase, by notice to the County at, or at any time prior to the

Closing, if between the date hereof and the Closing: (i) any event occurs or information becomes known, which, in the reasonable professional judgment of the Underwriter, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading; (ii) the market for the Notes or the market price for the Notes shall have been materially and adversely affected, in the reasonable professional judgment of the Underwriter, by (a) legislation enacted by the Congress of the United States, or passed by either House of Congress or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or formally proposed, or introduced on the floor of either House of Congress, or by the legislature of the State of California or by the United States Tax Court, or a ruling, order, or regulation (final, temporary or proposed) made by the Treasury Department of the United States or the Internal Revenue Service or other federal or State Court or other authority, which would have the effect of changing, directly or indirectly, the federal income tax consequences or State income tax consequences of interest on obligations of the general character of the Notes in the hands of the holders thereof, or (b) any new outbreak or escalation of hostilities or other national calamity or crisis in the financial markets of the United States which has a material adverse effect on the market price of the Notes, or (c) a general suspension of trading on the New York Stock Exchange, or of fixing of minimum or maximum prices of trading on the New York Stock Exchange, or of fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or (d) a general banking moratorium declared by either federal or State of New York authorities having jurisdiction; (iii) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which in the reasonable professional judgment of the Underwriter, materially and adversely affect the market price for the Notes; (iv) the commencement of any action, suit or proceeding described in Paragraph 6(D) hereof which, in the judgment of the Underwriter, materially adversely affects the market price of the Notes; or (v) any rating of the Notes or other obligations of the County by a national rating agency shall have been withdrawn or downgraded.

9. Conditions to Obligations of the County. The performance by the County of its obligations under this Contract of Purchase with respect to issuance, sale and delivery of the Notes to the Underwriter is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the County and the Underwriter of opinions and certificates being delivered at or prior to the Closing by persons and entities other than the County.

10. Expenses. The Underwriter, at the request of the County, shall pay all costs of issuance of the Notes, including but not limited to: (i) the fees for rating the Notes; (ii) fees and expenses of Bond Counsel; and (iii) the cost of printing and distribution of the Preliminary Official Statement and the Official Statement. The County will pay (or cause to be paid) the expense component of the spread and expenses incurred on behalf of the County's employees which are incidental to implementing this Contract of Purchase. The Underwriter's gross spread

includes fees and expenses of Underwriter's Counsel, DTC and CUSIP Bureau costs and fees, but excludes fees of SIFMA and the California Public Securities Association.

(B) The Underwriter shall bear all of its own expenses and fees incident to the purchase and resale of the Notes and costs of qualifying the Notes for sale under the Blue Sky laws of any state.

11. Notices. Any notice or other communication to be given under this Contract of Purchase (other than the acceptance hereof as specified in the first paragraph hereof) shall be given by telephone or telex, confirmed in writing, or by delivering the same in writing, if to the County, to the address first written above, attention: Treasurer-Tax Collector, or if to the Underwriter, to E. J. De La Rosa & Co., Inc., 10866 Wilshire Blvd., Suite 1650, Los Angeles, CA 90024, attention: Mr. Edward J. De La Rosa.

12. Parties in Interest: Survival of Representations and Warranties. This Contract of Purchase when accepted by the County in writing as specified herein shall constitute the entire agreement between the County and the Underwriter and is made solely for the benefit of the County and the Underwriter (including their respective successors and assigns). No other person shall acquire or have any right hereunder or by virtue hereof. The obligations of the County arising out of its representations and warranties in this Contract of Purchase shall not be affected by any investigation made by or on behalf of the Underwriter.

13. Execution in Counterparts. This Contract of Purchase may be executed in counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

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14. Applicable Law. This Contract of Purchase shall be interpreted under, governed by and enforced in accordance with the laws of the State of California.

Very truly yours,

E. J. DE LA ROSA & CO., INC.

By _____

Title: _____

The foregoing is hereby agreed to and accepted as of the date first above written:

COUNTY OF SANTA BARBARA

By _____

Treasurer-Tax Collector

Time of Execution: _____

**EXHIBIT A
MATURITY SCHEDULE**

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>
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