

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

IN THE MATTER OF PROVIDING FOR THE) RESOLUTION NO. 2012-
BORROWING OF FUNDS FOR FISCAL YEAR)
2012-2013 AND THE ISSUANCE AND SALE OF)
COUNTY OF SANTA BARBARA, CALIFORNIA,)
2012-2013 TAX AND REVENUE ANTICIPATION)
NOTES THEREFOR)

WHEREAS, pursuant to Sections 53850 et seq. of the Government Code of the State of California, this Board of Supervisors (the "Board") has found and determined that the sum of not in excess of \$75,000,000 (the "Maximum Required Amount") is needed for the requirements of the County of Santa Barbara (the "County") to satisfy obligations payable from the General Fund of the County and that it is necessary that said sum be borrowed at this time by the issuance of short-term notes (as hereinafter defined, the "Notes") for such purpose in anticipation of the receipt of taxes, revenue and other moneys to be received by the County for the General Fund of the County allocable to Fiscal Year 2012-2013; and

WHEREAS, it appears, and the Board hereby finds and determines, that a sum of not in excess of the Maximum Required Amount, when added to the interest estimated to be payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the County for the General Fund of the County attributable to Fiscal Year 2012-2013 and available for the payment of the principal of and interest on the Notes; and

WHEREAS, no money has heretofore been borrowed by the County, and the County does not contemplate such a financing through the issuance of any short-term notes, in anticipation of the receipt of, or payable or secured by, taxes, income, revenue, cash receipts or other moneys of the County received or accrued during or allocable to Fiscal Year 2012-2013; and

WHEREAS, pursuant to Section 53856 of the Government Code, certain revenues which will be received by the County for the General Fund of the County and attributable to Fiscal Year 2012-2013 may be pledged for the payment of the principal of and interest on the Notes; and

WHEREAS, the County wishes to authorize the issuance of the Notes in two series (the "Notes of Series A" and the "Notes of Series B," respectively, and collectively the "Notes") in an aggregate amount which does not exceed the Maximum Required Amount; and

WHEREAS, E.J. De La Rosa & Co., Inc. (the "Underwriter") has agreed to submit an offer to purchase the Notes of Series A and has submitted a form of contract of purchase (as finally executed in accordance with Section 3, the "Contract of Purchase") to the Board, and the Notes of Series B may be sold in such manner as shall hereinafter be set forth;

NOW, THEREFORE, the Board of Supervisors of the County of Santa Barbara hereby finds, determines, declares and resolves as follows:

Section 1. Recitals. All of the recitals herein set forth are true and correct, and the Board so finds and determines.

Section 2. Authorization of Issuance. Solely for the purpose of anticipating taxes, income, revenues, cash receipts and other moneys to be received by the County for the General Fund of the County allocable to Fiscal Year 2012-2013, and not pursuant to any common plan of financing, the County hereby determines to and shall borrow an aggregate principal amount not in excess of the Maximum Required Amount by the issuance of temporary notes under Sections 53850 et seq. of the California Government Code, designated "County of Santa Barbara, California, 2012-2013 Tax and Revenue Anticipation Notes" and shall be issued as Notes of Series A and Notes of Series B in an aggregate amount which is not in excess of the Maximum Required Amount. The Treasurer-Tax Collector of the County (the "Treasurer"), upon consultation with Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), is hereby authorized to determine the aggregate principal amount of the Notes of each series, which sum shall not in the aggregate exceed the Maximum Required Amount or such lesser amount upon which Bond Counsel will deliver an approving opinion as to the exclusion from gross income for federal income tax purposes of interest on the Notes of each series (an "Approving Opinion"). The Notes of each series shall be numbered from "1" consecutively upward in order of issuance, shall be in the denomination of \$5,000 or any integral multiple thereof as determined at the time of sale thereof, shall be dated the date of initial issuance thereof, shall be issued, in the case of the Notes of Series A, as soon as practicable on or after July 1, 2012 and, in the case of the Notes of Series B, shall mature (without option of prior redemption) on one or more dates within thirteen (13) months after the date of original issuance of the respective series of Notes as shall be designated in a certificate of the Treasurer, and shall bear interest computed on the basis of a 360-day year and twelve 30-day months, at the rate or rates determined in accordance with this Resolution and, in the case of the Notes of Series A, set forth in the Contract of Purchase as executed and delivered by the County and, in the case of the Notes of Series B, set forth in the Contract of Purchase relating to the Notes of Series B as executed and delivered by the County. In the event the Treasurer shall designate a maturity date or dates within twelve (12) months after the date of original issuance of a Series of the Notes, interest shall be payable at maturity; in the event the Treasurer shall designate a maturity date in excess of twelve (12) months after the date of original issuance of a Series of the Notes, interest shall be payable for such maturity on a date within twelve (12) months after the date of original issuance of that Series of Notes as shall be designated in a certificate of the Treasurer and at maturity. Both the principal of and interest on the Notes shall be payable in lawful money of the United States of America. The interest on the Notes for the first interest payment period, if any, shall be payable to the registered owners of the Notes, as shown on the records of the Treasurer (the "Paying Agent"), as of the close of business on the fifteenth (15th) day of the month preceding such interest payment date, by check mailed by the Paying Agent to such registered owners, and the interest on the Notes payable at maturity and the principal of the Notes shall be payable upon surrender of the Notes at maturity at the office of the Paying Agent. No interest shall be payable for any period after maturity during which the registered owner of any Note fails to properly present such Note to the Paying Agent for payment of principal.

Section 3. Sale of Notes. (A) Sale of Notes of Series A. The Treasurer and Auditor-Controller, jointly and severally, are hereby authorized and directed to negotiate, with the Underwriter, an interest rate on the Notes of Series A which will result in a yield not to exceed one percent (1.00%) per annum and the price to be paid to the County for the Notes of Series A, which shall not be less than the price at which the same are sold to the public less an amount not to exceed 2.25% of the principal amount thereof, and, if such interest rate and price are acceptable to the Treasurer or Auditor-Controller, jointly and severally, such officer, or a designee of either such officer, is hereby further authorized and directed to execute and deliver the Contract of Purchase relating to the Notes of Series A, substantially in the form presented to this meeting (the "Contract of Purchase"), with such additions, changes and corrections therein as said officer shall require or approve, such approval to be conclusively evidenced by the execution thereof, and to execute and deliver such other documents required to be executed and delivered thereunder, for and in the name and on behalf of the County.

(B) Sale of Notes of Series B. The Treasurer and Auditor-Controller, jointly and severally, are hereby authorized and directed to determine whether, when and in what amount (in each case subject to the terms of Section 2 and this Section) to sell the Notes of Series B. If the determination is made to sell the Notes of Series B, the Treasurer and Auditor-Controller, jointly and severally, are hereby authorized and directed to negotiate, with the Underwriter, an interest rate, which will result in a yield not to exceed one percent (1.00%) per annum, on the Notes of Series B and the price to be paid to the County for the Notes of Series B, which shall not be less than the price at which the same are sold to the public less an amount not to exceed 2.25% of the principal amount thereof, and, if such interest rate and price are acceptable to the Treasurer or Auditor-Controller, jointly and severally, such officer, or a designee of either such officer, is hereby further authorized and directed to execute and deliver a Contract of Purchase relating to the Notes of Series B, substantially in the form presented to this meeting, with such additions, changes and corrections therein as said officer shall require or approve, such approval to be conclusively evidenced by the execution thereof, and to execute and deliver such other documents required to be executed and delivered thereunder, for and in the name and on behalf of the County; provided that the sale of the Notes of Series B shall in any event be subject to the following additional conditions:

(i) Receipt of confirmation from Standard & Poor's that the issuance of the Notes of Series B will not cause a reduction in the rating on the Notes of Series A;

(ii) The maturity of the Series B Notes shall be after the latest maturity of the Notes of Series A; and

(iii) Receipt of an opinion of Bond Counsel to the effect that the interest on the Notes of Series B is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes.

Section 4. Disposition of Proceeds of Notes. The County shall, immediately upon receiving the proceeds of the sale of the Notes of each Series, place in the County General Fund maintained in the County Treasury all amounts representing principal received from each such sale. Such amounts held in the County General Fund shall be invested as permitted by applicable California law, including but not limited to Section 53601 of the Government Code,

provided that no such moneys shall be invested in “reverse repurchase agreements” permitted by subsection (i) of said Section 53601, and no such investments shall have a maturity later than the term of the Notes.

Amounts deposited pursuant to the preceding paragraph may be commingled with other amounts in the County General Fund. As an alternative to commingling such amounts, the County may deposit proceeds of the Notes in an account to be established in the County General Fund and entitled the “Note Proceeds Account.” Amounts deposited in the Note Proceeds Account shall be invested either in investments described in the preceding paragraph or in the following additional permitted investment (the “Permitted Investment Agreement”):

Investment agreements with or the obligations of which are guaranteed by (a) a domestic bank, financial institution or insurance company the financial capacity to honor its senior obligations of which is rated at least “AA” by Standard & Poor’s; or (b) a foreign bank the long-term debt of which is rated at least “AA” by Standard & Poor’s (a “Qualified Provider”); provided, that the investment agreement shall provide that if during its term the provider’s (or, if guaranteed, the guarantor’s) rating by Standard & Poor’s falls below “AA-”, the provider must within 10 days assign the investment agreement to a Qualified Provider reasonably acceptable to the County or collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider’s books) to the County or a third party acting solely as agent therefor, United States Treasury Obligations which are free and clear of any third-party liens or claims, at sufficient collateral levels to maintain the highest short-term rating on the Notes.

Amounts in the County General Fund attributable to the sale of the Notes of Series A and, if issued, the Notes of Series B shall be withdrawn and expended by the County for any purpose for which the County is authorized to expend funds from the General Fund of the County.

Section 5. Source of Payment. (A) The principal of and interest on the Notes shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the County for the General Fund of the County attributable to fiscal year 2012-2013 and which are lawfully available for the payment of current expenses and other obligations of the County (the “Unrestricted Revenues”).

(B) As security for the payment of the principal of and interest on the Notes, the County hereby pledges to deposit in trust in a restricted cash account within the General Fund of the County designated as the “County of Santa Barbara 2012-2013 Tax and Revenue Anticipation Notes Repayment Account” (the “Repayment Account”): (i) from the first Unrestricted Revenues received by the County during the period commencing on December 20, 2012 and ending on January 31, 2013 (a “Pledge Period”) an amount sufficient to pay the principal of and the interest on any Notes maturing before June 1, 2013 or, if all of the Notes mature on or after June 1, 2013, an amount equal to fifty percent (50%) of the principal amount of the Notes Outstanding during the Pledge Period; provided further that, in the event any Note matures on or before January 2, 2013, this Pledge Period shall commence on January 3, 2013; and (ii) from the first Unrestricted Revenues received by the County during the period commencing on April 21, 2013 and ending on May 31, 2013 (also a “Pledge Period”) an amount

which, together with the amount on deposit in the Repayment Account (net of anticipated earnings on moneys therein), will be sufficient to pay the principal of and interest on the Notes maturing on or after June 1, 2013. The amounts pledged by the County for deposit into the Repayment Account from the Unrestricted Revenues received during each indicated Pledge Period are hereinafter called the “Pledged Revenues.”

(C) The Treasurer is hereby authorized to select other amounts or time periods than those designated above within Fiscal Year 2012-2013, for which Unrestricted Revenues received by the County are pledged to the payment of the principal of and interest on the Notes if, upon the advice of the Underwriter, the pledge of Unrestricted Revenues in such amounts or received during such other time periods is expected to be financially advantageous to the County. Any such change shall be described in the final Official Statement relating to the Notes.

(D) In the event that there have been insufficient Unrestricted Revenues received by the County by the third business day prior to the end of any such Pledge Period to permit the deposit into the Repayment Account of the full amount of the Pledged Revenues required to be deposited with respect to such Pledge Period, then the amount of any deficiency in the Repayment Account shall be satisfied and made up from any other moneys of the County lawfully available for the payment of the principal of the Notes and the interest thereon (all as provided in Sections 53856 and 53857 of the Government Code) (the “Other Pledged Moneys”) on such date or thereafter on a daily basis, when and as such Pledged Revenues and Other Pledged Moneys are received by the County.

Section 6. Pledged Revenues. (A) The Pledged Revenues with respect to the Pledge Period in which received shall be deposited by the Treasurer in the Repayment Account commencing the third business day of each respective Pledge Period and thereafter at intervals of no more than every five business days, and applied as directed in this Resolution; and the Other Pledged Moneys, if any, shall be deposited by the Treasurer in the Repayment Account on the third business day prior to the end of such Pledge Period and on each business day thereafter, until the full amount of the moneys required by Section 5(B) has been so deposited in the Repayment Account. The principal of and interest on the Notes shall constitute a first lien and charge on, and shall be payable from, moneys in the Repayment Account. Moneys in the Repayment Account shall be applied only as hereinafter in this Section 6 provided.

(B) The Treasurer shall use the moneys in the Repayment Account to pay the principal of and interest on the Notes when due. Any moneys remaining in the Repayment Account after the final maturity of the Notes, or after provision for such payments has been made, shall be transferred to the General Fund of the County.

(C) Moneys in the Repayment Account shall be invested in a Permitted Investment Agreement (as defined in Section 4 hereof) or as permitted by applicable California law, including but not limited to Section 53601 of the Government Code, except that no moneys shall be invested in investments permitted by subsection (j) (to the extent that subsection (j) applies to reverse repurchase agreements) of said Section 53601, and no such investments shall have a maturity date later than the term of the Notes. The proceeds of any such investments shall be retained in the Repayment Account until payment of principal of and interest on all of the

Notes (or provision therefor) has been made in accordance with paragraph (B), at which time any excess amount shall be transferred to the General Fund of the County.

Section 7. Execution of Notes. The Treasurer or such officer's designee is hereby authorized to execute the Notes by use of his manual or facsimile signature, and the Clerk of the Board of Supervisors of the County or one of such officer's assistants is hereby authorized to countersign, by manual or facsimile signature, the Notes and to affix the seal of the Board of Supervisors thereto by impressing the seal or by imprinting a facsimile of the seal thereon. Said officers are hereby authorized to cause the blank spaces in Exhibit A to be filled in as may be appropriate and to deliver the Notes of each Series to the Underwriter in accordance with the terms and provisions of the respective Contracts of Purchase. In the case of Notes executed by facsimile signature of both the Treasurer and the Clerk of the Board of Supervisors, the Notes shall not be valid unless and until the Paying Agent shall have manually authenticated such Notes.

Section 8. Form of Notes and Certificate of Authentication and Registration. The Notes shall be issued in fully registered form without coupons, and the Notes and the Certificate of Authentication and Registration shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Section 9. Registration, Exchange and Transfer. (A) The Depository Trust Company, New York, New York, is hereby appointed depository for the Notes. The Notes of each series and maturity shall be initially issued and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York and shall be evidenced by a single Note for each Series. Registered ownership of each Note, or any portion thereof, may not thereafter be transferred except as set forth in Section 9(B).

(B) The Notes shall be initially issued and registered as provided in Section 9(A) hereof. Registered ownership of the Notes, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or of any substitute depository designated pursuant to clause (ii) of this subsection (B) ("Substitute Depository"); provided that any successor of Cede & Co., as nominee of The Depository Trust Company or Substitute Depository, shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any Substitute Depository not objected to by the Treasurer of the County, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the Treasurer or his designee to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the Treasurer to discontinue using a depository.

(A) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (B) of this Section 9, upon receipt of all outstanding Notes of each Series by the Paying Agent (together, in the case of a successor paying agent appointed by the County pursuant to Section 12 hereof, with a written request of the Treasurer of the County to such successor paying agent designating the Substitute Depository), a single new Note for each Series and maturity, which the County shall prepare or cause to be prepared, shall be executed and delivered, registered in the name of any such successor to Cede & Co. or such Substitute Depository, or their respective nominees, as the case may be, all as specified by the Treasurer or, in the case of a successor paying agent appointed by the County pursuant to Section 12 hereof, as specified in the written request of the Treasurer of the County. In the case of any transfer pursuant to clause (iii) of subsection (B) of this Section 9 upon receipt of all outstanding Notes by the Paying Agent (together, in the case of a successor paying agent appointed by the County pursuant to Section 12 hereof, with a written request of the Treasurer to such successor paying agent), new Notes, which the County shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as specified by the Treasurer or, in the case of a successor paying agent appointed by the County pursuant to Section 12 hereof, as are requested in such written request of the Treasurer, subject to the limitations of Section 9 hereof, provided that the Paying Agent shall deliver such new Notes as soon as practicable.

(B) The County and the Paying Agent shall be entitled to treat the person in whose name any Note is registered as the owner thereof for all purposes of the Resolution and for purposes of payment of principal of and interest on such Note, notwithstanding any notice to the contrary received by the Paying Agent or the County; and the County and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Notes. Neither the County nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successor (or Substitute Depository or its successor), except to the owner of any Notes, and the Paying Agent may rely conclusively on its records as to the identity of the owners of the Notes.

(C) Notwithstanding any other provision of this Resolution and so long as all outstanding Notes are registered in the name of Cede & Co. or its registered assigns, the County and the Paying Agent shall cooperate with Cede & Co. or its registered assigns, as sole registered owner, in effecting payment of the principal of and interest on the Notes by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due all in accordance with the Letter of Representations, the provisions of which the Paying Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

(D) In the case of any transfer pursuant to clause (iii) of subsection (B) of this Section 9, any Note may, in accordance with its terms, be transferred or exchanged for a Note of like aggregate principal amount and series in authorized denominations, upon the books required

to be kept by the Paying Agent pursuant to the provisions hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed and in form approved by the Paying Agent.

Whenever any Note shall be surrendered for transfer or exchange, the County shall execute and the Paying Agent shall authenticate, if required, and deliver a new Note or Notes of the same series of authorized denominations, for a like aggregate principal amount. The Paying Agent shall require the owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(E) The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the County. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Notes as hereinbefore provided.

(F) If any Note shall become mutilated, the County, at the expense of the owner of such Note, shall execute, and the Paying Agent shall thereupon authenticate, if required, and deliver a new Note of like Series, tenor and number in exchange and substitution for the Note so mutilated, but only upon surrender to the Paying Agent of the Note so mutilated. Every mutilated Note so surrendered to the Paying Agent shall be cancelled by it and delivered to, or upon the order of, the County. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County and the Paying Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the County, at the expense of the owner, shall execute, and the Paying Agent shall thereupon authenticate, if required, and deliver a new Note of like Series, tenor and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note shall have matured or shall be about to mature, instead of issuing a substitute Note, the Paying Agent may pay the same without surrender thereof). The Paying Agent may require payment by the registered owner of a Note of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be incurred by the County and the Paying Agent. Any Note issued under these provisions in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County whether or not the Note so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Resolution with all other Notes issued under this Resolution.

All Notes surrendered for payment or registration of transfer, if surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and shall be promptly cancelled by it. The County may at any time deliver to the Paying Agent for cancellation any Notes previously authenticated and delivered hereunder which the County may have acquired in any manner whatsoever, and all Notes so delivered shall promptly be cancelled by the Paying Agent. No Note shall be authenticated in lieu of or in exchange for any Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled Notes held by the Paying Agent shall be disposed of as directed by the County.

Section 10. General Covenants. It is hereby covenanted and warranted by the Board that all representations and recitals contained in this Resolution are true and correct and that the Board and the County, and their appropriate officials, have duly taken all proceedings necessary to be taken by them, except as disclosed in the Official Statement, and will take any additional proceedings necessary to be taken by them, for the levy, collection and enforcement of the taxes, income, revenue, cash receipts and other moneys pledged hereunder in accordance with law and for carrying out the provisions of this Resolution and the Notes.

Section 11. Tax Covenants; Rebate Fund. (A) The County covenants that it shall make all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of the Notes due to the United States Treasury, shall segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with each applicable requirement of Section 103 and Sections 141 through 150 of the Code and to assure that interest paid on the Notes shall, for the purposes of federal income taxes and California personal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation. As part of the performance of the covenant contained in the preceding sentence, promptly after six months from the date of the issuance of the Notes of Series A, the County will reasonably and prudently calculate the amount of the Note proceeds which have been expended, with a view to determining whether or not the County has met the requirements of Section 148(f)(4)(B) of the Code with respect to the Notes, and if it has not met such requirements, it will reasonably and prudently calculate the amount, if any, of investment profits which must be rebated to the United States and will immediately set aside, from revenues attributable to the 2012-2013 fiscal year or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate in the Rebate Fund referred to in paragraph (B) of this Section.

(B) The County shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the “2012-2013 Tax and Revenue Anticipation Note Rebate Fund” (the “Rebate Fund”). There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein in accordance with written instructions from Bond Counsel.

(C) Notwithstanding any other provision of this Resolution to the contrary, upon the County’s failure to observe, or refusal to comply with, the covenants contained in this Section, no one other than the owners or former owners of the Notes shall be entitled to exercise any right or remedy under this Resolution on the basis of the County’s failure to observe, or refusal to comply with, such covenants.

(D) The covenants contained in this Section shall survive the payment of the Notes.

(E) Notwithstanding any provision of this section, if the County shall provide to the Paying Agent an opinion of Bond Counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Notes, the Paying

Agent and the County may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

Section 12. Paying Agent. The Treasurer is hereby appointed as Paying Agent for the Notes. The County hereby directs and authorizes the payment by the Paying Agent of the interest on and principal of the Notes when such become due and payable, from the Repayment Account in the manner set forth herein. The County hereby covenants to deposit funds in the Repayment Account at the time and in the amount specified herein to provide sufficient moneys to pay the principal of and interest when due. Payment of the Notes shall be in accordance with the terms of the Notes and this Resolution.

This appointment shall not preclude the County from appointing a financial institution to act as Paying Agent or one or more successors thereto, all without notice to or the consent of the registered owners of the Notes. Any such successor paying agent shall be or shall have co-paying agent relationships with one or more banks or trust companies with offices in New York, New York.

The Paying Agent, initially the Treasurer, is also appointed as registrar and upon the request of any registered owner, is authorized to record the transfer or exchange of Notes in accordance with the provisions hereof.

Section 13. Official Statement for Notes of Series A. The proposed form of official statement relating to the Notes of Series A, in substantially the form presented to this meeting, is hereby approved with such additions, changes and corrections as the Treasurer or Auditor-Controller, jointly and severally, may from time to time approve. The Underwriter is hereby authorized to distribute such official statement in preliminary form (the "Preliminary Official Statement") to the potential purchasers of the Notes of Series A and is hereby authorized and directed to deliver such official statement in final form to all purchasers of the Notes of Series A. The Treasurer and the Auditor-Controller, jointly and severally, or a designee of either such officer, are authorized to certify on behalf of the County that the preliminary form of the official statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by said Rule). The Treasurer and the Auditor Controller, jointly and severally, or a designee of either such officer, are hereby authorized and directed, for and in the name and on behalf of the County, to sign a copy of such Official Statement in final form.

Section 14. Approval of Actions. All actions heretofore taken by the officers and agents of the County or this Board of Supervisors with respect to the sale and issuance of the Notes are hereby approved, confirmed and ratified, and the officers of the County and this Board of Supervisors are hereby authorized and directed, for and in the name and on behalf thereof, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with this Resolution, including, but not limited to, the execution of a Continuing Disclosure Certificate, as defined in Section 17 below.

Section 15. Proceedings Constitute Contract. The provisions of the Notes and of this Resolution shall constitute a contract between the County and the registered owners of the Notes, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, upon issuance of the Notes, and shall be irrevocable.

Section 16. Amendments. At any time or from time to time, the County may adopt one or more Supplemental Resolutions without the necessity for consent of the owners of the Notes for any one or more of the following purposes:

- (1) to add to the covenants and agreements of the County in the Resolution, other covenants and agreements to be observed by the County which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (2) to add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the County which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (3) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any monies, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;
- (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution; or
- (5) to amend or supplement this Resolution in any other respect;

provided, however, that any such Supplemental Resolution shall not adversely affect the interests of the owners of the Notes.

Any modifications or amendment of this Resolution and of the rights and obligations of the County and of the owners of the Notes may be made by a Supplemental Resolution, with the written consent of the owners of at least a majority in principal amount of the Notes outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Notes remain outstanding, the consent of the owners of such Notes shall not be required. No such modification or amendment shall permit a change in the maturity of any Notes or a reduction of the principal amount thereof or an extension of the time of any payment thereon or a reduction of the rate of interest thereon, without the consent of the owners of such Notes, or shall reduce the percentage of the Notes the consent of the owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Paying Agent without its written assent thereto.

Section 17. Continuing Disclosure. The County hereby agrees and covenants that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") executed by the County and dated the date of issuance and delivery of the Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof, and notwithstanding any other provision hereof,

failure of the County to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; provided, that any registered owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Section.

Section 18. Effective Date. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 15th day of May, 2012, by the following vote:

AYES:

NOES:

ABSENT:

Doreen Farr
Chair of the Board of Supervisors

[SEAL]

ATTEST:

Chandra L. Wallar,
Clerk of the Board of Supervisors

**APPROVED AS TO ACCOUNTING
FORM:**

Robert W. Geis, C.P.A.,
Auditor-Controller

By _____

By  _____

APPROVED AS TO FORM:

Dennis Marshall,
County Counsel

By  _____

EXHIBIT A

REGISTERED

REGISTERED

No. R-1

\$ _____

COUNTY OF SANTA BARBARA, CALIFORNIA,

2012-2013 TAX AND REVENUE ANTICIPATION NOTE, SERIES__

Rate of Interest:

Maturity Date:

Note Date:

CUSIP:

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

FOR VALUE RECEIVED, the County of Santa Barbara (the "County"), State of California, acknowledges itself indebted to and promises to pay to the Registered Owner identified above, or registered assigns, at the office of the Treasurer of the County (the "Paying Agent"), the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, together with interest thereon at the Rate of Interest per annum set forth above (computed on the basis of a 360-day year composed of twelve 30-day months) in like lawful money from the Note Date specified above until payment in full of said principal sum, such interest to be payable [on _____, 2013 and] at maturity. The principal of and interest payable at maturity on this Note shall be payable only to the registered owner hereof upon surrender of this Note at the office of the Paying Agent as the same shall fall due; provided, however, that no interest shall be payable for any period after maturity during which the registered owner hereof fails to properly present this Note for payment.

It is hereby certified, recited and declared that this Note is one of an authorized issue of Notes entitled, "County of Santa Barbara, California, 2012-2013 Tax and Revenue Anticipation Notes" (the "Notes"), in the aggregate principal amount of not to exceed _____ Dollars (\$_____), of the series designated above, all of like tenor, made, executed and given pursuant to and by authority of a resolution of the Board of Supervisors of the County (the "Resolution") duly passed and adopted under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the County, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal of and interest on the Notes shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the County for the General Fund of the County for the fiscal year 2012-2013 and which are lawfully available for the payment of current expenses and other obligations of the County (the "Unrestricted Revenues"). As security for the payment of the principal of and interest on the Notes [insert in Notes of Series A "and an additional series of notes, if issued, which series is authorized to be issued on or before December 15, 2012 (or such later date as to which Bond Counsel shall deliver an approving opinion) in a principal amount which, together with the principal amount of such previously issued and outstanding series of notes, does not exceed \$_____ (the "Additional Notes"); insert in Notes of Series B "and an additional series of notes which was heretofore issued in the principal amount of \$_____ (the "Additional Notes")], the County has pledged to deposit in the Repayment Account (as defined in the Resolution) certain Unrestricted Revenues as described in the Resolution (such pledged amounts being hereinafter called the "Pledged Revenues"). In the event that there are insufficient Pledged Revenues received by the County by the third business day prior to the end of any such accounting period to permit the deposit into the Repayment Account of the full amount of the aforesaid moneys to be deposited, then the amount of any deficiency in the Repayment Account shall be satisfied and made up from any other moneys of the County lawfully available for the payment of the principal of and interest on the Notes and the Additional Notes (such other pledged moneys being hereinafter called the "Other Pledged Moneys"). The Pledged Revenues and Other Pledged Moneys shall be deposited in the Repayment Account at the intervals specified in the Resolution. The principal of and interest on the Notes and the Additional Notes shall constitute a first lien and charge on, and shall be payable from, moneys in the Repayment Account.

This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations, of the same Series and for the same aggregate principal amount will be issued to the transferees in exchange herefor.

The County and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the County nor the Paying Agent shall be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Registration hereon shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the County of Santa Barbara has caused this Note to be executed by the manual or facsimile signature of its Treasurer-Tax Collector and countersigned by the manual or facsimile signature of the Clerk of its Board of Supervisors and caused the official seal of its Board of Supervisors to be impressed or imprinted hereon, all as of the Note Date specified above.

COUNTY OF SANTA BARBARA

By _____
Treasurer-Tax Collector

(SEAL)

Countersigned:

Clerk of the Board of Supervisors

[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This Note is one of the Notes described in the within mentioned Resolution, which Note has been registered on the date set forth below.

Date of Registration: _____, 2012.

COUNTY OF SANTA BARBARA

By _____
Treasurer-Tax Collector

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto

(print or type name, address, taxpayer identification no.
and zip code of assignee)

the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature

NOTE: The signature to the assignment must correspond to the name as written on the face of this Note in every particular, without any alteration or change whatsoever.

Signature Guaranteed By:

NOTE: The signature to the assignment must be guaranteed by an eligible guarantor institution.

[FORM OF DTC LEGEND]

Unless the certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, since the registered owner hereof, Cede & Co., has an interest herein.