

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA
RESOLUTION NO. _____**

**RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF CERTIFICATES OF
PARTICIPATION TO PROVIDE FINANCING FOR THE COUNTY'S EMPOWERSBC
PROGRAM AND OTHER CAPITAL PROJECTS, AND APPROVING RELATED
DOCUMENTS AND ACTIONS**

WHEREAS, on March 16, 2010, the Board of Supervisors of the County (the "Board of Supervisors") adopted Resolution No. 10-068, entitled "Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, and Energy Efficiency and Water Efficiency Improvements" (the "Resolution of Intention"), to initiate proceedings under Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") to establish the emPowerSBC program (the "Program"), pursuant to which the County will enter into contractual assessments to finance the installation of renewable energy, energy efficiency and water efficiency improvements ("Authorized Improvements") as described in the Resolution of Intention; and

WHEREAS, by the Resolution of Intention, the Board of Supervisors provided that one or more series of bonds would be issued or other financing relationships would be entered into under the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the "1915 Act"); and

WHEREAS, on April 13, 2010, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program or any of its particulars, the Board of Supervisors adopted Resolution No. _____, entitled "Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources and Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters," (the "Resolution Confirming Program Report"), pursuant to which the Board of Supervisors, among other things, (i) confirmed and approved a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 of Chapter 29, (ii) established the Program, and (iii) authorized execution of agreements ("Assessment Contracts") with the owners of property in the County (the "Program Area") to provide for the levy of contractual assessments (the "Contractual Assessments") to finance installation of Authorized Improvements; and

WHEREAS, the County wishes to provide long-term financing for the installation of Authorized Improvements on participating parcels in the County and for other capital projects of the County by leasing certain real property and improvements (the "Leased Property") to the Santa Barbara County Finance Corporation, Inc. (the "Corporation") under a Lease and sub-leasing the Leased Property back from the Corporation under a Sublease; and

WHEREAS, the County would expect to make the lease payments payable to the Corporation under the Sublease that are attributable to the installation of Authorized Improvements with Contractual Assessment installments paid by participating property owners to the County; and

WHEREAS, the Corporation would agree to assign certain of its rights in the

Sublease to a corporate trustee (the "Trustee") under an Assignment Agreement, and in consideration of such assignment the Trustee would enter into a Trust Agreement with the County and the Corporation under which the Trustee would execute and deliver Certificates of Participation (the "Certificates of Participation"), evidencing direct, undivided fractional interests in the lease payments to be paid by the County under the Sublease; and

WHEREAS, the Board of Supervisors wishes at this time to authorize and approve all proceedings for the lease financing of the Program described above and for other capital projects of the County, and all related documents and actions, in furtherance of the public purposes of the County;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Santa Barbara as follows:

Section 1. Approval of Financing Plan and Related Documents. The Board of Supervisors hereby approves the financing plan outlined above. To that end, the Board of Supervisors hereby approves each of the following financing documents in substantially the respective forms on file with the Clerk of the Board of Supervisors, together with any changes therein or additions thereto approved by the Chair or the Vice Chair of the Board of Supervisors (each, an "Authorized Officer"):

- Lease between the County as lessor and the Corporation as lessee, whereby the County leases the Leased Property to the Corporation.
- Sublease between the Corporation as sub-lessor and the County as sub-lessee, whereby the Corporation sub-leases the Leased Property back to the County in consideration of the payment by the County of semiannual lease payments.
- Trust Agreement among the County, the Corporation and the Trustee, whereby the Trustee agrees to execute and deliver the Certificates of Participation.

Each Authorized Officer is hereby individually authorized and directed on behalf of the County to execute the final form of each of the foregoing documents, and the Clerk of the Board of Supervisors is hereby authorized and directed to attest to the final form of each of the foregoing documents. Execution of each of the foregoing documents by an Authorized Officer shall be conclusive evidence of the approval of any changes therein or additions thereto by an Authorized Officer. The schedule of lease payments attached to the Sublease shall correspond to the payments of principal and interest represented by the Certificates of Participation, to be determined upon the sale thereof as set forth in Section 2.

Section 2. Execution, Delivery and Sale of Certificates of Participation. The Board of Supervisors hereby approves the execution and delivery of one or more series of Certificates of Participation, provided, however, that no series of Certificates shall be executed and delivered until such time as (i) the Board of Supervisors has approved the terms of a competitive or negotiated sale of the Certificates of Participation and (ii) an Authorized Officer has caused a preliminary Official Statement describing the Certificates of Participation and the security for the Certificates of Participation to be

prepared and caused such preliminary Official Statement to be submitted to this Board of Supervisors for its approval.

Section 3. Official Actions. The Chair, the Authorized Officers, the County Counsel, the Clerk of the Board of Supervisors, the Treasurer-Tax Collector, the Auditor-Controller, and all other officers of the County, are authorized and directed in the name and on behalf of the County to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this resolution any officer of the County is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 4. Intent to Reimburse. The County hereby declares its intent to issue all or a portion of the Certificates of Participation, in an amount not to exceed \$160 million, as Qualified Energy Conservation Bonds under Section 54(D)(e)(1) of the Internal Revenue Code of 1986, and to reimburse the County for expenditures paid prior to the date of issuance of such Certificates of Participation, including advances from the County's general fund.

Section 5. Conflicts of Interest. The Board of Supervisors acknowledges and understands that the same attorney(s) within County Counsel may represent and advise both the County and the Corporation regarding financings and applicable documents, and waives any potential or actual conflicts of interest arising therefrom.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED and ADOPTED at a regular meeting of the Board of Supervisors of the County of Santa Barbara held on this 13th day of April, 2010, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CHAIR, BOARD OF SUPERVISORS

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By: _____
Deputy

APPROVED AS TO FORM:

DENNIS A. MARSHALL
COUNTY COUNSEL

By: 
Deputy County Counsel

APPROVED AS TO ACCOUNTING
FORM:

ROBERT GEIS
AUDITOR-CONTROLLER

By: 