

RESOLUTION NO. _____

Sonoma County Administration Building
Santa Rosa, California

Date: _____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF THE COUNTY'S 2009-10 TAX AND REVENUE ANTICIPATION NOTES, AUTHORIZING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE NOTICE OF INTENTION TO SELL NOTES, THE OFFICIAL NOTICE INVITING BIDS, AN OFFICIAL STATEMENT AND A CONTINUING DISCLOSURE CERTIFICATE, AND AUTHORIZING THE TAKING OF NECESSARY ACTIONS AND THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO SAID NOTES

WHEREAS, California counties are authorized by Sections 53850 *et seq.* of the California Government Code to borrow money by the issuance of temporary notes; and

WHEREAS, this Board of Supervisors (the "Board of Supervisors") of the County of Sonoma (the "County") has found and determined that a sum not to exceed \$140,000,000 is needed to satisfy obligations payable during or allocable to the Fiscal Year 2009-10 from the General Fund of the County, and that it is necessary that said sum be borrowed for such purpose at this time by the issuance of temporary notes in anticipation of the receipt of taxes, income, revenue, cash receipts and other monies by the County for the General Fund of the County during or allocable to Fiscal Year 2009-10; and

WHEREAS, it appears, and the Board of Supervisors hereby finds and determines, that said principal amount, when added to the interest payable thereon, does not exceed 85% of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other monies which will be received by the County for the General Fund of the County during or allocable to Fiscal Year 2009-10 and which will be available for the payment of the principal of and interest on said Notes (as defined below); and

WHEREAS, no money has heretofore been borrowed by or on behalf of the County through the issuance of tax anticipation notes or temporary notes in anticipation of the receipt of, or payable from or secured by, taxes, income, revenue, cash receipts or other monies to be received by the County for the General Fund of the County during or allocable to Fiscal Year 2009-10, and this Board of Supervisors does not contemplate such a financing through the issuance of any temporary notes, other than its Notes as herein requested to be issued; and

WHEREAS, pursuant to Section 53856 of the California Government Code, certain taxes, income, revenue, cash receipts and other monies which will be received by the County for the General Fund of the County during or allocable to Fiscal Year 2009-10 may be pledged for the payment of said Notes and the interest thereon (as hereinafter provided); and

WHEREAS, this Board of Supervisors deems it necessary and desirable to maintain flexibility by authorizing the sale of said Notes by competitive sale, negotiated sale or private placement, based on market conditions; and

WHEREAS, to provide for a competitive sale, the proposed forms of an Official Notice Inviting Bids and Notice of Intention to Sell Notes have been presented to this Board. Should the County proceed with a competitive sale of the Notes, the underwriter of the Notes (the "Underwriter") shall be determined at the time of sale thereof; and

WHEREAS, there have been submitted to this Board of Supervisors, and are now on file with the Clerk of this Board of Supervisors, forms of an Official Notice Inviting Bids, a Notice of Intention to Sell Notes, a Preliminary Official Statement and a Continuing Disclosure Certificate with respect to and describing said Notes; and

WHEREAS, the County desires to employ a financial advisor to advise the County on the structuring, sale and issuance of said Notes; and

WHEREAS, there has been submitted to this Board of Supervisors and is on file with the Clerk of this Board of Supervisors the proposed form of agreement with KNN Public Finance for financial advisory services; and

WHEREAS, it will be necessary for the County to employ bond counsel and disclosure counsel and to incur costs and expenses in preparing the proceedings for the sale and issuance of said Notes; and

WHEREAS, there has been submitted to this Board of Supervisors and is on file with the Clerk of this Board of Supervisors the proposed form of agreement with Fulbright & Jaworski L.L.P. for bond counsel and disclosure counsel services; and

WHEREAS, the County has full legal right, power and authority under the Constitution and the laws of the State of California to enter into the transactions hereinafter authorized;

NOW THEREFORE, the Board of Supervisors of the County of Sonoma hereby RESOLVES, DETERMINES AND ORDERS, as follows:

Section 1. Recitals True and Correct. All the above recitals are true and correct.

Section 2. Authorization of Notes. Solely for the purpose of anticipating taxes, income, revenue, cash receipts and other monies to be received by the County for the General Fund of the County (the "General Fund") during or allocable to Fiscal Year 2009-10, and not pursuant to any common plan of financing, the County hereby determines to and shall issue not to exceed \$140,000,000 principal amount of temporary notes pursuant to Sections 53850 *et seq.* of the

Section 3. Amount of Borrowing. The aggregate principal amount of the Notes shall be no greater than the amount recited in Section 2 hereof, or such lesser amount as to which Fulbright & Jaworski L.L.P., Los Angeles, California, herein appointed as bond counsel and disclosure counsel to the County with respect to the Notes, will deliver an approving opinion regarding the exclusion from gross income for federal income tax purposes of interest thereon. The aggregate principal amount of the Notes so determined upon the sale of the Notes shall be specified in the Official Notice Inviting Bids described in Section 9 hereof (the “Official Notice Inviting Bids”).

Section 4. Terms of Notes. The Notes shall be dated the date of their delivery. The Notes shall mature on a date which is no more than 13 months subsequent to their date of delivery, which date shall be determined at the time of sale thereof and set forth in the Official Notice Inviting Bids. The Notes shall bear interest commencing on the date thereof, computed on the basis of a 360-day year consisting of twelve 30-day months, at the rate determined at the time of sale or placement thereof and set forth in either the Official Notice Inviting Bids, the Note Purchase Contract or the Private Placement Agreement, as applicable (the “Sale Document” or collectively, the “Sale Documents”), but which shall not be in excess of 7.0% per annum. The principal of and interest on the Notes shall be payable as described in Section 5 hereof. The Notes shall be issued in fully registered form in denominations of \$25,000 principal amount or any integral multiple of \$5,000 in excess of \$25,000.

Section 5. Payment of Notes, Pledge of Revenues, Repayment Fund.

(a) Payment of Principal and Interest. The principal amount of the Notes shall be payable only at the maturity thereof, without the option of prior redemption. Interest on the Notes shall be payable on a date which is not later than 365 days following the date of issuance of the Notes, as shall be specified in the Sale Document, and at the maturity of the Notes. If it is determined by the County and specified in the Sale Document that the Notes shall mature within 365 days of their date of issuance, the Sale Document may provide that interest is to be paid only at maturity of the Notes. The principal of and the interest on the Notes shall be payable in lawful money of the United States of America to the registered owners of the Notes, as shown on the registration books required to be maintained by the Paying Agent (as defined in Section 7 hereof), pursuant to Section 7(c) hereof.

Interest due prior to the maturity of the Notes shall be payable to the registered owners of the Notes as of the close of business on the 15th day of the month preceding the interest payment date (the “Record Date”), by check mailed by the Paying Agent to such registered owners at their respective addresses shown in the registration books. Payment of said interest shall be made in immediately available funds (*e.g.*, by wire transfer) to any owner of at least one million dollars (\$1,000,000) aggregate principal amount of outstanding Notes who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date.

Principal and interest due at maturity shall be paid to the registered owners only upon surrender of said Notes at the principal corporate trust office of the Paying Agent (as defined in

Section 7 hereof). No interest shall be payable on any Notes for any period after maturity of the Notes during which the registered owner thereof fails to properly present said Notes for payment.

(b) Pledge of Unrestricted Revenues. The principal of and interest on the Notes shall be payable from taxes, income, revenue, cash receipts and other monies which are received by the County for or allocable to the General Fund for the Fiscal Year 2009-10 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, the County hereby pledges and covenants to deposit in trust in a special fund designated as the "County of Sonoma, California 2009-10 Tax and Revenue Anticipation Note Repayment Fund" (the "Repayment Fund"), such amounts as shall be necessary to provide for payment of all such principal and interest when due, on the dates and in the amounts, or in the proportions of the total amount due, as shall be specified in the Sale Document, from the first Unrestricted Revenues received by the County in each period specified in the Sale Document.

Each of the Auditor-Controller/Treasurer-Tax Collector of the County (the "Treasurer"), the Assistant Treasurer of the County and the Revenue and Debt Division Manager of the County (each, an "Authorized Officer") is hereby authorized to determine the deposit proportions and times for the deposit thereof as is deemed to be in the best interests of the County, and to specify said deposit amounts or proportions and deposit times in the Sale Document, provided that no more than five such deposits shall be required to be made and the latest deposit shall be no later than June 30, 2010, and the sum of such required deposits shall equal the total principal of plus interest due on the Notes.

The amounts pledged by the County for deposit into the Repayment Fund from the Unrestricted Revenues received during each indicated period are hereinafter called the "Pledged Revenues," and the principal of and the interest on the Notes shall constitute a first lien and charge thereon and shall be payable therefrom, and to the extent not so paid shall be paid from any other money of the County lawfully available therefor.

(c) Other Pledged Monies. 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 period in which a deposit in the Repayment Fund is required to be made to permit the deposit into the Repayment Fund of the full amount of the Pledged Revenues required to be deposited with respect to such period, then the amount of any deficiency in the Repayment Fund shall be satisfied and made up from any other monies 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 California Government Code) (the "Other Pledged Monies") on such date or thereafter on a daily basis, when and as such Other Pledged Monies are received by the County.

(d) Repayment Fund. All Pledged Revenues, and any other deposits required to be made into the Repayment Fund, shall, when received, be deposited in the Repayment Fund. All monies in the Repayment Fund shall be invested as provided in Section 11 hereof.

The Treasurer, as Fiscal Agent, shall create and hold the Repayment Fund. Any money placed in the Repayment Fund shall be held in trust by the Fiscal Agent for the benefit of the registered owners of the Notes, and until the principal of the Notes and all interest thereon are paid or until provision has been made for the payment of the principal of the Notes at maturity with interest to maturity, the money in the Repayment Fund shall be applied only for the purposes for which the Repayment Fund is created.

On any date that interest is due on the Notes and on the date of maturity of the Notes, the money in the Repayment Fund shall be used, to the extent necessary, to pay the principal of and interest on the Notes. Any money remaining in or accruing to the Repayment Fund after the principal of the Notes and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund.

Section 6. Form and Execution of Notes. The Notes shall be issued without coupons and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein. The Treasurer is hereby authorized to cause the blank spaces of the Notes to be filled in accordance with the terms of the Notes specified in the Sale Document and as the Treasurer may otherwise deem to be appropriate. Each Authorized Officer is hereby authorized to execute the Notes by manual or facsimile signature, and the Clerk of this Board of Supervisors or a duly appointed deputy is hereby authorized to countersign the Notes by manual or facsimile signature. The Notes shall be authenticated by the manual signature of a duly authorized officer of the Paying Agent.

Section 7. Paying Agent.

(a) Appointment. The Treasurer is hereby appointed and authorized and directed to act as the initial paying agent, registrar and transfer agent (in such capacity, the "Paying Agent") for the County with respect to the Notes. Unless otherwise specifically noted, at any time that the Treasurer is Paying Agent hereunder, any reference herein to "the County and the Paying Agent" shall mean "the County" or "the Treasurer," as appropriate.

The Treasurer is hereby authorized to appoint a successor Paying Agent and/or Fiscal Agent, which shall be a bank or trust company doing business in and having a corporate trust office in San Francisco or Los Angeles, California, with at least \$50,000,000 in net assets, and the Treasurer is authorized to enter into a services agreement with such institution in form and substance acceptable to the Treasurer and to County Counsel.

(b) Principal Corporate Trust Office. Unless otherwise specifically noted, any reference herein to the "office" or the "principal corporate trust office" of the Paying Agent shall mean for all purposes the office of the Treasurer of the County of Sonoma in Santa Rosa, California; provided, that in any case "principal corporate trust office" shall mean any other place designated by the Paying Agent for a particular purpose, and shall include the principal corporate trust office or other designated office of any successor paying agent.

(c) Registration Books. The Paying Agent will keep or cause to be kept, at its principal corporate trust office, 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

Section 8. Use of Depository; Registration; Transfer.

(a) The Notes shall be initially issued and registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company, New York, New York (hereinafter, Cede & Co. and The Depository Trust Company are referred to collectively as “The Depository Trust Company”), and shall be evidenced by a single note certificate, in accordance with procedures of The Depository Trust Company. Registered ownership of the Notes, or any portion thereof, may not thereafter be transferred except as set forth in subsection (b) of this Section.

(b) Registered ownership of the Notes, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company, or its nominee, or of any substitute depository designated pursuant to clause (ii) of this subsection (b) (a “Substitute Depository”); provided, that any successor 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 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 County to substitute another depository for The Depository Trust Company (or its successor) because it 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 County to discontinue using a depository.

(c) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (b) of this Section, upon receipt of all outstanding Notes by the Paying Agent, a single new Note, which the County shall prepare or cause to be prepared in accordance with Section 6 hereof, shall be executed and delivered and registered in the name of such successor or such Substitute Depository, or its nominee, as the case may be. In the case of any transfer pursuant to clause (iii) of subsection (b) of this Section, upon receipt of all outstanding Notes by the Paying Agent, new Notes, which the County shall prepare or cause to be prepared in accordance with Section 6 hereof, shall be executed and delivered in such denominations and registered in the names of such persons as are determined by the Paying Agent pursuant to a written request of the County.

(d) Following the resignation or the removal of the depository pursuant to clause (iii) of subsection (b) of this Section, any Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount of Notes in authorized denominations, upon the

Whenever any Note shall be surrendered for transfer or exchange, the County shall execute and the Paying Agent shall 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 registered 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 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 this resolution and for purposes of payment of principal and interest on such Note, notwithstanding any notice to the contrary received by the County or the Paying Agent; 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 successors (or any Substitute Depository or its successor), except to the registered owner of any Notes, and the Paying Agent may rely conclusively on its records as to the identity of the registered owners of the Notes.

(f) Notwithstanding any other provisions 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 from the County to The Depository Trust Company, the provisions of which the Paying Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

(g) 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 deliver a new Note of like tenor bearing a different number in exchange and substitution for the Note so mutilated, but only upon surrender to the Paying Agent of the Note so mutilated. If any Note shall be lost, destroyed or stolen, evidence of the ownership thereof, and 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 deliver a new Note of like tenor and bearing a different number in lieu of and in substitution for the Note so lost, destroyed or stolen (or, if any such Note shall have matured, 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

(h) 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 canceled by it. The County may at any time deliver to the Paying Agent for cancellation any Notes previously delivered hereunder which the County may have acquired in any manner whatsoever, and all Notes so delivered shall promptly be canceled by the Paying Agent. No Note shall be delivered in lieu of or in exchange for any Notes canceled as provided herein, except as expressly permitted hereunder. All canceled Notes held by the Paying Agent shall be disposed of as directed by the County.

Section 9. Official Statement; Official Notice Inviting Bids; Notice of Intention to Sell Notes; Note Purchase Contract; Private Placement Agreement.

(a) Approval of Official Statement; Private Placement Memorandum. The form of Preliminary Official Statement relating to the Notes (the "Preliminary Official Statement"), in substantially the form submitted to and on file with the Clerk of this Board of Supervisors, is hereby approved, with such additions, changes and corrections as the officers of the County may require or approve, and the Financial Advisor (as defined in Section 17(a) hereof) is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in purchasing the Notes. Each Authorized Officer is hereby authorized to certify to the Underwriter, on behalf of the County, that the Preliminary 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 officers of the County are hereby authorized to make such additions, changes and corrections to the Preliminary Official Statement as are necessary or desirable to prepare the final Official Statement relating to the Notes (the "Official Statement"). Each Authorized Officer, or in the absence of such officers, the Chair of this Board of Supervisors, is hereby authorized and directed to sign the Official Statement in its final form, including the final pricing information, and the Financial Advisor and the Underwriter are hereby authorized and directed to deliver copies of the Official Statement in final form to all subsequent purchasers of the Notes. In the event an Authorized Officer elects to proceed with a private placement, the form of Preliminary Official Statement may be revised in the form of a Private Placement Memorandum upon the recommendation of the Financial Advisor or Bond Counsel.

(b) Approval of Official Notice Inviting Bids. The form of Official Notice Inviting Bids relating to the competitive sale of the Notes (the "Official Notice Inviting Bids"), in substantially the form submitted to and on file with the Clerk of this Board of Supervisors, is hereby approved. The Notes may be offered for sale, and proposals therefor shall be received, by the County at the place and up to the time and dates fixed in the Official Notice Inviting Bids. Each Authorized Officer is hereby authorized to modify and supplement the Official Notice Inviting Bids with such further information regarding the issuance and sale of the Notes as such officer deems necessary and appropriate, and to communicate such modifications and supplements as indicated in the Official Notice Inviting Bids; all references to the Official Notice Inviting Bids herein shall be deemed to include such modifications and supplements. Each Authorized Officer is hereby authorized and directed on behalf of the County to accept the best

The Official Notice Inviting Bids shall recite the aggregate principal amount (subject to adjustment), issuance date and maturity date of the Notes, and shall set forth the dates of deposit and amounts or proportions of Pledged Revenues to be deposited in the Repayment Fund on each such date, all as shall be determined by any Authorized Officer.

(c) Approval of Notice of Intention to Sell Notes. Pursuant to Section 53692 of the California Government Code, the County hereby authorizes any Authorized Officer to cause the publication (and hereby ratifies such publication if publication has occurred) of a Notice of Intention to Sell Notes (the “Notice of Intention to Sell Notes”), in substantially the form submitted to and on file with the Clerk of this Board of Supervisors, once in *The Bond Buyer* at least five days prior to the date fixed for the receipt of proposals, or in such other financial publication generally circulated throughout the State or reasonably expected to be disseminated among prospective bidders for the Notes or as any Authorized Officer shall deem appropriate.

(d) Approval of Note Purchase Contract. The proposed form of the Note Purchase Contract, providing for the negotiated sale of the Notes, in substantially the form submitted to and on file with the Clerk of this Board of Supervisors, is hereby approved. Each Authorized Officer is hereby authorized and directed to execute and deliver the Note Purchase Contract to such underwriter or underwriters as such Authorized Officer may select, with such additions, deletions or changes therein as shall be approved by any Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof.

(e) Approval of Private Placement Agreement. The proposed form of the Private Placement Agreement, providing for the private placement of the Notes, in substantially the form submitted to and on file with the Clerk of this Board of Supervisors, is hereby approved. Each Authorized Officer is hereby authorized and directed to execute and deliver the Private Placement Agreement to such placement agent as such Authorized Officer may select, with such additions, deletions or changes therein as shall be approved by any Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The sale or private placement of the Notes, pursuant to any of the Sale Documents, as determined by any Authorized Officer, subject to the limitations set forth in Sections 2, 3 and 4 hereof, is hereby authorized and approved.

Section 10. Disposition of Note Proceeds. The Treasurer shall, immediately upon receiving the proceeds of the sale of the Notes, deposit in the General Fund all amounts received from such sale. All Note proceeds held by the Treasurer in the General Fund shall be invested as provided in Section 11 hereof. Proceeds of the Notes shall be withdrawn and expended for any purpose for which the County is authorized to expend funds from its General Fund, but only after exhausting funds otherwise available for such purposes (which are not restricted funds) and only to the extent that on any given day such other funds are not then available. For purposes of this paragraph, funds otherwise available excludes amounts that are held or set aside in a reasonable

Section 11. Investment of Funds.

(a) All proceeds of the Notes held by the Treasurer in the General Fund and all money held by the Treasurer in the Repayment Fund shall be invested by the Treasurer in any of the following:

- (i) the Sonoma County Investment Pool;
- (ii) the Local Agency Investment Fund in the treasury of the State of California;
- (iii) such other investments as permitted by Section 53601 *et seq.* of the California Government Code rated at least AA- by Standard & Poor's; or
- (iv) investment agreements, including guaranteed investment contracts, and repurchase agreements, in each case with a provider rated at least AA- by Standard & Poor's.

(b) The proceeds of such investments shall be retained in each such respective Fund; provided, that no monies in the Repayment Fund shall be invested for a term that exceeds the term of the Notes, and that sufficient proceeds shall be invested to mature no later than the time at which any payment of interest or principal is due, to provide for such payment.

Section 12. Further Assurances. It is hereby covenanted and warranted by this Board of Supervisors that the County, and its appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the levy, collection and enforcement of the Pledged Revenues in accordance with law for carrying out the provisions of this resolution and the Notes.

Section 13. Tax Covenants; Rebate Fund.

(a) General. The County hereby covenants that it will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Notes under section 103 of the Code. Without limiting the generality of the foregoing, the County hereby covenants that it will comply with the requirements of the Tax Certificate of the County with respect to the Notes (the "Tax Certificate"), to be entered into by the County as of the date of issuance of the Notes. The provisions of this Section shall survive payment in full or defeasance of the Notes.

(b) Rebate Calculation and Payment. The County covenants that, in the event it is or becomes subject to the rebate requirements of section 148 of the Code, it shall (i) 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; (ii) segregate and set aside from lawfully available sources the amount such calculations indicate may be required to be paid to the United States Treasury; and (iii) 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 complying with the instructions of Bond Counsel, to ensure that interest paid on the Notes shall, for the purposes of federal income taxes, be excusable from the gross income of the recipients thereof and exempt from such taxation. If such calculations indicate that a rebate payment is required, the County will immediately set aside, from revenues received during or allocable to the 2009-10 Fiscal Year or, to the extent not available from such revenues, from any other monies lawfully available, the amount of any such rebate in a separate fund which the County hereby agrees to establish and maintain and designate as the “County of Sonoma 2009-10 Tax and Revenue Anticipation Note Rebate Fund.”

(c) Remedies Limited to Note Owners. 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) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the County shall obtain 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 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 14. Approval of Actions. All actions heretofore taken by the officers, employees and agents of the County or this Board of Supervisors with respect to the issuance and sale of the Notes whether by competitive sale, negotiated sale or private placement are hereby approved, confirmed and ratified, and the employees and officers of the County, including the Chair of this Board of Supervisors, the Clerk of this Board of Supervisors, the Auditor-Controller/Treasurer-Tax Collector, the Assistant Treasurer, the Revenue and Debt Division Manager and the authorized designees of any of them, shall be and they are hereby authorized and directed to take all actions, including the selection of an underwriter or placement agent, to execute and deliver any and all agreements, private placements, certificates and representations, including signature certificates, no-litigation certificates, certificates regarding the Official Statement or private placement memorandum, as applicable and continuing disclosure, and other certificates proposed to be distributed in connection with the sale or placement of the Notes, 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.

Section 15. Continuing Disclosure. The form of Continuing Disclosure Certificate relating to the Notes (the “Continuing Disclosure Certificate”), in substantially the form

Section 16. Notice to California Debt and Investment Advisory Commission. The Treasurer is hereby authorized and directed to cause notices of the proposed sale and final sale of the Notes to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855(g).

Section 17. Appointment of Financial Advisor and Legal Counsel; Authorization to Incur Expenses.

(a) The firm of KNN Public Finance (the “Financial Advisor”) shall be, and such firm is, hereby appointed financial advisor to the County in connection with the structuring, sale, placement and issuance of the Notes, in accordance with the terms and conditions set forth in the proposed form of agreement for financial advisory services on file with the Clerk of this Board of Supervisors, and previously approved by this Board of Supervisors, and each Authorized Officer is hereby authorized to execute said agreement with KNN Public Finance, with such modifications and conditions as shall be acceptable to such officer and the County Counsel, such approval to be conclusively evidenced by such execution.

(b) The firm of Fulbright & Jaworski L.L.P. (“Bond Counsel”) shall be, and such firm is, hereby appointed bond counsel and disclosure counsel to the County in connection with the sale, placement and issuance of the Notes, in accordance with the terms and conditions set forth in the proposed form of agreement for bond counsel and disclosure counsel services on file with the Clerk of this Board of Supervisors, and each Authorized Officer is hereby authorized to execute said agreement with Fulbright & Jaworski L.L.P., with such modifications and conditions as shall be acceptable to such officer and the County Counsel, such approval to be conclusively evidenced by such execution.

(c) This Board of Supervisors hereby authorizes the payment of any expenses incurred in connection with the preparation of proceedings for the sale and issuance of the Notes. Such costs and expenses shall include fees and expenses of Bond Counsel, the Financial Advisor, filing fees and charges, the cost of printing and publishing the legal documents, preliminary and

Section 18. 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, and, upon issuance of the Notes, shall be irrevocable; provided, that the provisions of this resolution may be amended by any supplemental resolution duly adopted by this Board of Supervisors that is not, in the opinion of Fulbright & Jaworski L.L.P. or such other nationally recognized bond counsel firm selected by the County, materially adverse to the interests of the registered owners of the Notes.

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Section 19. Effective Date. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Sonoma, State of California, on October 6, 2009, by the following vote:

SUPERVISORS:

Brown_____Kerns_____Zane_____Carrillo_____Kelley_____

Ayes ____ Noes ____ Abstain ____ Absent ____

SO ORDERED

EXHIBIT A

FORM OF NOTE

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

COUNTY OF SONOMA, CALIFORNIA
2009-10 TAX AND REVENUE ANTICIPATION NOTE

<u>Rate of Interest</u>	<u>Note Date</u>	<u>Maturity Date</u>	<u>CUSIP No.</u>
____%	_____, 2009	_____, 2010	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ MILLION DOLLARS

FOR VALUE RECEIVED, the County of Sonoma (the “County”), State of California, acknowledges itself indebted to and promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, together with interest thereon payable [on _____, 2010 and] at the maturity thereof, 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.

[Interest due on _____, 2010, shall be payable to the registered owner hereof as of the close of business on the 15th day of the calendar month immediately preceding the interest payment date (the “Record Date”), as shown on the books required to be maintained by the Auditor-Controller/Treasurer-Tax Collector of the County, or his successor, acting as Paying Agent (the “Paying Agent”), by check mailed by the Paying Agent to such registered owner at the address shown in the registration books. Payment of said interest shall be made in immediately available funds (*e.g.*, by wire transfer) to any owner of at least one million dollars (\$1,000,000) in aggregate principal amount of outstanding Notes (as hereinafter defined) who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date.]

Principal and interest due at maturity shall be paid to the registered owner hereof only upon surrender hereof at the principal corporate trust office of the Paying Agent. No interest shall be payable for any period after maturity hereof 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 part of an authorized issue of Notes entitled "County of Sonoma, California 2009-10 Tax and Revenue Anticipation Notes" (the "Notes"), in the aggregate principal amount of _____, all of like tenor, made, executed and given pursuant to the authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code and all laws amendatory thereof or supplemental thereto, and under and pursuant to the provisions of a Resolution of the Board of Supervisors of the County adopted on _____, 2009 (herein called the "Resolution"), authorizing the issuance of the Notes, 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 2009-10 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, the County has pledged to deposit in the Repayment Fund (as defined in the Resolution): (i) an amount equal to [40% of the principal amount of the Notes from the first Unrestricted Revenues to be received by the County in February 2010; (ii) an amount equal to 40% of the principal amount of the Notes from the first Unrestricted Revenues to be received by the County in April 2010; and (iii) an amount equal to (a) 20% of the principal amount of the Notes, plus (b) an amount sufficient to pay the interest on the Notes at maturity, together with an amount sufficient to satisfy and make up any deficiency in the Repayment Fund with respect to the prior deposits, from the first Unrestricted Revenues to be received by the County in May 2010.]

The amounts pledged by the County for deposit into the Repayment Fund from the Unrestricted Revenues received during each period are 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 date to permit the deposit into the Repayment Fund of the full amount of the moneys required to be deposited, then the amount of any deficiency in the Repayment Fund 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. 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 Fund.

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 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 Board of Supervisors of the County of Sonoma, California has caused this Note to be executed by the Auditor-Controller/Treasurer-Tax Collector of the County by manual signature, and countersigned by its Clerk by manual signature, all as of the Note Date specified above.

COUNTY OF SONOMA, CALIFORNIA

By _____
Auditor-Controller/Treasurer-Tax Collector

Countersigned:

Clerk of the Board of Supervisors
of the County of Sonoma

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of the Notes described in the within-mentioned Resolution, which Note has been registered on _____, 2009.

Auditor-Controller/Treasurer-Tax Collector
of the County of Sonoma, California,
as Paying Agent

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto the within-mentioned registered note and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

Taxpayer I.D. Number

NOTE: The signature(s) of this Assignment must correspond with the name(s) as written on the face of the within registered Note in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____
Notice: Signature must be guaranteed by an eligible guarantor institution.