



THE BANK OF NEW YORK MELLON

February 24, 2011

Tina Rivera
Finance Director
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117
trivera@cityofgoleta.org

Re: Goleta Redevelopment Agency 2011 Tax Allocation Bonds

Dear Tina:

On behalf of The Bank of New York Mellon Trust Company, N. A. (“BNYMTC”) we greatly appreciate the opportunity to present our proposal to provide trustee services on the above referenced transaction. Attached is our Fee Schedule, but please read on to discover more about the differences that BNYMTC offers.

Inherent in the process of identifying the financing team to bring an important debt financing to market is selecting a Trustee who can assist the issuer in the on-going administrative process throughout the life of the engagement and is committed, professional and experienced. No other institution can demonstrate their commitment to providing trustee services to the public finance marketplace better than BNYMTC. Through our enhanced systems and experienced professionals dedicated to serving the needs of the municipal finance market, we provide our clientele industry leading services for today and the future.

The Bank of New York Mellon Company, Inc. is one of the largest bank holding companies in the US, and has been ranked the number one overall trustee in terms of new debt issuance for five consecutive years, and is one of the leading Corporate Trust banks with over \$12.0 trillion in outstanding debt.

A Difference through Our People and Service

The City will be serviced locally by their existing administrative team from our Los Angeles office, led by Mr. Greg Chenail. Greg’s professional profile is included below, for your review.

Greg Chenail
Vice President
(213) 630-6229
greg.chenail@bnymellon.com

Greg joined The Bank of New York Mellon Trust Company in conjunction with the acquisition of the Wells Fargo municipal trust business in 1997. He has over nineteen years of banking experience, the last twelve being within Corporate Trust administration. Greg is experienced in a wide variety of municipal transactions. He is a graduate of Boston College with a Bachelor of Arts degree in Economics.



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PLEASE NOTE:

As a standard procedure upon closing a bond issue, each administrator is prepared to deliver a detailed account synopsis including all information relating to investments, debt service, compliance, and requisition payments (as applicable), for use by the issuer and financing team. This synopsis is not only an aid for our clients, but for our administrators as well, as it enables them to thoroughly review the governing documents and to establish useful ticklers and procedures. This subsequently serves as a great tool to assist our clients in our long-term relationship between the Issuer and The Bank of New York Mellon Trust Company.

A Difference Through Our Level of Experience

As an experienced member of your financing team, we provide the qualifications you require to ensure that, with your other financing team members, you have assembled the finest professionals in their field, thereby making your financing both attractive and successful.

Attached you will find our complete Fee Schedule for this engagement detailing related fees and expenses associated with our appointment.

You will find that the ultimate success of your offering is as critical to the Bank as it is to you. Further, you will discover that the responsiveness and superior service that characterize our performance are the very strengths that have made The Bank of New York Mellon Trust Company, N. A. a leading provider of securities services and a prime candidate for all your trustee and agency needs.

Should you have any questions regarding our proposal or attached fee schedule, please feel free to contact me at (213) 630-6430.

Very truly yours,

Jennifer S. O'Neill
Vice President

Cc: Steven Brende, sbrende@syllc.com – Stone & Youngberg LLC



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Goleta Redevelopment Agency 2011 Tax Allocation Bonds

Fee Schedule

March 7, 2011

Upon appointment of BNYM as trustee, the Issuer shall be responsible for the payment of the fees, expenses and charges as set forth in this Fee Schedule.

ACCEPTANCE FEE

\$500

This one time charge is payable at the time of the closing and includes the review and execution of the Indenture and all documents submitted in support thereof, acceptance of the trust, establishment of procedures and controls and set-up of trust accounts.

ANNUAL ADMINISTRATIVE FEE

\$1,750

The annual fee covers the duties and responsibilities related to account administration and bondholder services, which may include maintenance of accounts on various systems, collection and payment of principal and interest to bondholders, the preparation and distribution of any sinking fund redemption notices and the monitoring of issuer compliance. This fee is payable in advance for the year and shall not be prorated.

INVESTMENT COMPENSATION

With respect to investments in money market mutual funds for which BNYM provides shareholder services BNY (or its affiliates) may receive fees from the mutual funds (or their affiliates) for shareholder services as set forth in the Authorization and Direction to BNYM to Invest Cash Balances in Money Market Mutual Funds.

BNYM will charge a \$35 transaction fee for the purchase, sale, or maturity of commercial paper and U.S. treasuries and agencies.

REQUISITION / DISBURSEMENT FEE (check or wire) /per transaction

\$35

INVESTMENT AGREEMENT, OR REPURCHASE/ FORWARD PURCHASE AGREEMENT (if applicable)

BNYM will charge a one-time fee in the amount of \$500 for review and acceptance of any investment agreement or repurchase agreement. Counsel Fees (if any) associated with the review and acceptance of the above will be billed at cost not to exceed \$500. BNYMTC will charge a \$35 transaction fee for principal adjustments to the Investment Agreement.

COUNSEL FEE

\$1,850

A fee covering the fees and expenses of Counsel for its services, including review of governing documents, communication with members of the closing party (including representatives of the issuer, investment banker(s), attorney(s) and BNYM), attendance at meetings and the closing, and such other services as BNY may deem necessary. The Counsel fee will be the actual amount of the fees and



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expenses charged by Counsel and is payable at closing. Counsel fees will be capped at the above price but may be increased if all documentation required for this financing is not in substantially good order, numerous drafts or extensive negotiations are required, or the closing is delayed. Should closing not occur, you shall still be responsible for payment of Counsel fees and expenses.

MISCELLANEOUS FEES

The fees for performing extraordinary or other services not contemplated at the time of the execution of the transaction or not specifically covered elsewhere in this schedule will be commensurate with the service to be provided and will be charged in BNYM's sole discretion. These extraordinary services may include, but are not limited to, supplemental agreements, consent operations, unusual releases, tenders or sinking fund redemptions, the preparation of special or interim reports, custody of collateral, a one-time fee to be charged upon termination of an engagement. Counsel, accountants, special agents and others will be charged at the actual amount of fees and expenses billed.

OUT-OF-POCKET EXPENSES

At Cost

Additional out-of-pocket expenses may include, but are not limited to, telephone; facsimile; courier; copying; postage; supplies; statutory filing charges, including UCC amendments, continuations, and termination fees; and expenses of BNYM's representative(s) and Counsel for attending special meetings. Fees and expenses of BNYM's representatives and Counsel will be charged at the actual amount of fees and expenses charged and all other expenses will be charged at cost.



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TERMS AND DISCLOSURES

TERMS OF PROPOSAL

Final acceptance of the appointment as trustee under the Indenture is subject to approval of authorized officers of BNY and full review and execution of all documentation related hereto. Please note that if this transaction does not close, you will be responsible for paying any expenses incurred, including Counsel fees. We reserve the right to terminate this offer if we do not enter into final written documents within three months from the date this document is first transmitted to you. Fees may be subject to adjustment during the life of the engagement.

MISCELLANEOUS

The terms of this Fee Schedule shall govern the matters set forth herein and shall not be superseded or modified by the terms of the Indenture. This Fee Schedule shall be governed by the laws of the State of California without reference to laws governing conflicts. BNYM and the undersigned agree to jurisdiction of the federal and state courts located in the City/County of San Francisco, State of California.

CUSTOMER NOTICE REQUIRED BY THE USA PATRIOT ACT

To help the US government fight the funding of terrorism and money laundering activities, US Federal law requires all financial institutions to obtain, verify, and record information that identifies each person (whether an individual or organization) for which a relationship is established.

What this means to you: When you establish a relationship with BNYM, we will ask you to provide certain information (and documents) that will help us to identify you. We will ask for your organization's name, physical address, tax identification or other government registration number and other information that will help us to identify you. We may also ask for a Certificate of Incorporation or similar document or other pertinent identifying documentation for your type of organization.

We thank you for your assistance.

Accepted By:

For BNYMTC:

Signature *Dan Singer*
Date: 3-8-2011
Name: Dan Singer
Title Executive Director

Jennifer A. O'Neill
February 24, 2011
Jennifer S. O'Neill
Vice President



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FEE SUMMARY

Fees due at Closing are as follows:

Acceptance Fee:	\$ 500.00
Legal Counsel Fee:	\$1,850.00
Annual Administration Fee:	<u>\$1,750.00</u>
Total Due at Closing:	\$4,100.00

Please note the above anticipated fees due at closing include certain assumptions including one fixed rate series of bonds with no investment agreements.

Trustee Counsel

Sam Waldman, Esq.
Davis Wright Tremaine LLP
64 Oak Knoll Drive
San Anselmo, CA 94960
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