RESOLUTION NO. 2012-317

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CLARA, CALIFORNIA, PROVIDING FOR THE BORROWING OF FUNDS IN THE NAME OF THE MILPITAS UNIFIED SCHOOL DISTRICT IN AN AMOUNT NOT TO EXCEED $10,000,000 FOR FISCAL YEAR 2012-2013 AND THE ISSUANCE AND SALE OF 2012 TAX AND REVENUE ANTICIPATION NOTES THEREFOR

WHEREAS, pursuant to Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), school districts organized and existing under the laws of the State of California are authorized to borrow money by the issuance of temporary notes, the proceeds of which may be used and expended for any purpose for which the school district is authorized to spend moneys;

WHEREAS, pursuant to the Law, such notes may be issued in the name of such school districts by the board of supervisors of the county, the county superintendent of which has jurisdiction over such school district, as soon as possible following receipt of a resolution of the governing board of such school district requesting such borrowing; and

WHEREAS, the Board of Trustees of the Milpitas Unified School District (the "District") has heretofore adopted its resolution on May 8, 2012 (the "District Resolution"), finding and determining that it is desirable that the District borrow funds in an amount not to exceed $10,000,000 with respect to the fiscal year 2012-2013 for authorized purposes of the District, and requesting that the Board of Supervisors (the "Board") of Santa Clara County (the "County") for that purpose authorize the issuance of and offer for sale tax and revenue anticipation notes in the name of the District in the principal amount of not to exceed $10,000,000, under and pursuant to the provisions of the Law;

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

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

Section 2. Approval of Request of District. The Board hereby approves the request of the District for the Board to issue notes in its name.

Section 3. Authorization and Terms of Notes. Solely for the payment of current expenses, capital expenditures and other obligations payable from the general fund of District during or allocable to Fiscal Year 2012-2013, and not pursuant to any common plan of financing, the Board hereby determines to and shall borrow the aggregate principal sum of not to exceed ten million dollars ($10,000,000) in the name of the District. Such borrowing shall be by the issuance of temporary notes under the Law, designated "Milpitas Unified School District (Santa Clara County, California) 2012 Tax and Revenue Anticipation Notes" (the "Notes"). The Notes shall be dated as of their date of delivery, shall mature (without option of prior redemption) on such date as shall be determined prior to the date of sale of the Notes, and shall bear interest from their date, payable at maturity and computed on a 30-day month/360-day year basis. Both the principal of and interest on the Notes shall be payable in lawful money of the United States of America, as described below.

Section 4. Form of Notes; Book Entry Only System. The Notes shall be issued in fully registered form, without coupons, and shall be substantially in the form and substance set forth
District funds and accounts designated the “Milpitas Unified School District (Santa Clara County, California) 2012 Tax and Revenue Anticipation Notes Proceeds Fund” (the “Proceeds Fund”) and applied as directed in this Resolution.

Section 6. Deposit and Investment of Proceeds Fund. The proceeds received from the sale of the Notes shall be deposited in the Proceeds Fund. All moneys held on behalf of the District in the Proceeds Fund, if not invested, shall be held in time or demand deposits as public funds and shall be secured at all times by bonds or other obligations which are authorized by law as security for public deposits, of a market value at least equal to the amount required by law.

Moneys held in the Proceeds Fund shall be invested by the County in any one or more investments generally permitted to school districts under the laws of the State of California, consistent with the investment policy of the County and this Resolution (the “Proceeds Fund Permitted Investments”). The Proceeds Fund Permitted Investments shall specifically include: (a) the County Pooled Investment Fund maintained by the Director of Finance and (b) at the request of the District, (i) the Local Agency Investment Fund maintained by the Treasurer of the State of California; (ii) other investments permitted under section 53601 of the California Government Code; and (iii) investment agreements with financial institutions with senior unsecured credit ratings in one of the two highest rating categories (without regard to any refinement or gradation of such rating category by a plus or minus or a numeral) from one or more nationally recognized statistical rating organization then rating the Notes. In regard to any investments requested by the District specified in clauses (b)(i), (b)(ii) or (b)(iii) above, the County may decline the request of the District upon any reasonable basis, including, specifically, any concerns of the County regarding the legality, structure or appropriateness of the investment vehicle generally or the process proposed for the bidding or the execution of the investment. Consent by the County to a request by the District to use any investments requested by the District specified in clauses (b)(i), (b)(ii) or (b)(iii) above shall in no way imply any endorsement by the County of such investment and the County assumes no liability for the results of such investment or of the provider thereof.

Interest earning derived from the investment of amounts on deposit in the Proceeds Fund shall be retained therein and used for the purposes of such fund.

Section 7. Use of Proceeds. The moneys deposited in the Proceeds Fund shall be withdrawn, used and expended by the District for any purpose for which it is authorized to expend funds from the general fund of the District, including, but not limited to, current expenses, capital expenditures and the discharge of any obligation or indebtedness of the District.

Section 8. Security. The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, revenue and other moneys which are received by the District for the general fund of the District for the Fiscal Year 2012-2013. As security for the payment of the principal of and interest on the Notes, the Board, in the name of the District, hereby pledges the first “unrestricted moneys,” as hereinafter defined, to be received by the County on behalf of the District in such months and in such amounts as shall be determined by the Superintendent (or the Superintendent’s designee) prior to the date of sale of the Notes, sufficient to pay the principal of and interest on the Notes at maturity (such pledged amounts being hereinafter called the “Pledged Revenues”). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be paid from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the District lawfully available therefor. In the event that there are insufficient unrestricted moneys received by the District to permit the deposit in the Repayment Fund, as hereinafter defined, of the full amount of the Pledged Revenues to be deposited in any month on the last business day of such month, then the amount of any deficiency shall be satisfied and made up...
endorsement by the County of such investment and the County assumes no liability for the results of such investment or of the provider thereof.

Amounts on deposit in the Repayment Fund in excess of the amounts required to pay the principal of and interest on the Notes when due, shall be transferred to the general fund of the District.

Section 11. Execution of Notes. The Notes shall be executed in the manner set forth in the District Resolution.

Section 12. Transfer of Notes. Any Note may, in accordance with its terms, but only if the District determines to no longer maintain the book entry only status of the Notes, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the Director of Finance to deliver Note certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of Section 14 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 at the office of the Director of Finance, accompanied by delivery of a written instrument of transfer in a form approved by the Director of Finance, duly executed.

Whenever any Note or Notes shall be surrendered for transfer, the Director of Finance shall execute and deliver a new Note or Notes, for like aggregate principal amount.

Section 13. Exchange of Notes. Notes may be exchanged at the office of the Director of Finance for a like aggregate principal amount of Notes of authorized denominations and of the same maturity.

Section 14. Note Register. The Director of Finance shall keep or cause to be kept sufficient books for the registration and transfer of the Notes if the book entry only system is no longer in effect and, in such case, the Director of Finance shall register or transfer or cause to be registered or transferred, on said books, Notes as herein before provided. While the book entry only system is in effect, such books need not be kept as the Notes will be represented by one Note registered in the name of Cede & Co., as nominee for DTC.

Section 15. Temporary Notes. The Notes may be initially issued in temporary form exchangeable for definitive Notes when ready for delivery. The temporary Notes may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Director of Finance, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Note shall be executed by the Director of Finance upon the same conditions and in substantially the same manner as the definitive Notes. If the Director of Finance issues temporary Notes he will execute and furnish definitive Notes without delay, and thereupon the temporary Notes may be surrendered for cancellation, in exchange therefor at the office of the Director of Finance and the Director of Finance shall deliver in exchange for such temporary Notes an equal aggregate principal amount of definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall be entitled to the same benefits pursuant to this Resolution as definitive Notes executed and delivered hereunder. Any costs borne by the County for the exchange of the Notes will be reimbursed by the District.

Section 16. Notes Mutilated, Lost, Destroyed or Stolen. If any Note shall become mutilated the Director of Finance, at the expense of the registered owner of said Note, shall execute and deliver a new Note of like maturity and principal amount in exchange and substitution for the Note so mutilated, but only upon surrender to the Director of Finance of the Note so mutilated. Every mutilated Note so surrendered to the Director of Finance shall be
If a competitive sale is deemed appropriate, consent is hereby given for Zions First National Bank, the parent company of the Financial Advisor, to submit a bid for purchase of the Notes and to acquire or participate in the purchase of the Notes.

Section 19. Preparation of the Notes: Execution of Closing Documents. Quint & Thimmig LLP, as bond counsel to the District, is directed to cause suitable Notes to be prepared showing on their face that the same bear interest at the rate aforesaid, and to cause the blank spaces therein to be filled in to comply with the provisions of this Resolution in accordance with the identified purchaser of the Notes, and to procure their execution by the proper officers, and to cause the Notes to be delivered when so executed to DTC on behalf of the identified purchaser therefor upon the receipt of the purchase price by the County Director of Finance on behalf of the District.

The Director of Finance or any other officer of the County are further authorized and directed to make, execute and deliver to the purchaser or purchasers of the Notes (a) a certificate in the form customarily required by purchasers of bonds of public corporations generally, certifying to the genuineness and due execution of the Notes, and (b) a receipt in similar form evidencing the payment of the purchase price of the Notes which receipt shall be conclusive evidence that said purchase price of the Notes has been paid and has been received on behalf of the District. Any purchaser or subsequent taker or holder of the Notes is hereby authorized to rely upon and shall be justified in relying upon any such certificate or receipt with respect to the Notes. Such officers and any other officers of the District or of the County are hereby authorized to execute any and all other documents required to consummate the sale and delivery of the Notes.

Section 20. Limited Liability. Notwithstanding anything to the contrary contained herein, in the Notes or in any other document mentioned herein, neither the County, the Board, or any officers, officials or employees of the County shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby and the Notes shall be payable solely from the moneys of the District available therefor as set forth in Section 8 hereof.