

RESOLUTION NO. 21-21

RESOLUTION OF THE BOARD OF EDUCATION OF THE NAPA VALLEY UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF 2021-22 TAX AND REVENUE ANTICIPATION NOTES AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF NAPA TO ISSUE SAID NOTES

WHEREAS, pursuant to Sections 53850 *et seq.* of the Government Code of the State of California (the "Act") contained in Article 7.6 thereof, entitled "Temporary Borrowing" on or after the first day of any fiscal year (being July 1), a school district may borrow money by issuing notes for any purpose for which the school district is authorized to use and expend moneys, including but not limited to, current expenses, capital expenditures, investment and reinvestment, and the discharge of any obligation or indebtedness of the school district; and

WHEREAS, Section 53853 of the Act provides that such notes must be issued in the name of the school district by the board of supervisors of the county, the county superintendent of schools of which has jurisdiction over such school district, as soon as possible following the receipt of a resolution of the governing board of such school district requesting the borrowing; and

WHEREAS, the County Superintendent of Schools (the "County Superintendent") of the County of Napa (the "County") has jurisdiction over the Napa Valley Unified School District (the "District"), and this Board of Education (the "Board"), being the governing board of the District, hereby requests the borrowing of not-to-exceed Thirty-Five Million Dollars (\$35,000,000) at an interest rate not to exceed the maximum rate allowed by law, through the issuance by the Board of Supervisors of the County (the "County Board") of 2021-22 Tax and Revenue Anticipation Notes (the "Notes") in the name of the District; and

WHEREAS, such Notes shall be made payable no later than thirteen months after the date of delivery thereof; and

WHEREAS, pursuant to Section 53856 of the Act, the District may pledge to the payment of the Notes any taxes, income, revenue (including but not limited to, revenue from State and federal governments), cash receipts or other moneys, including moneys deposited in inactive or term deposits (but excepting moneys encumbered for a special purpose); and this Resolution specifies that certain of such revenues which will be received by the District for the General Fund thereof shall be pledged for the payment of the Notes; and

WHEREAS, the Notes shall be a general obligation of the District, and, to the extent not paid from the Unrestricted Revenues (defined herein) pledged for the payment thereof, shall be paid with interest thereon from any other moneys of the District lawfully available therefor, as required by Section 53857 of the Act, and shall not in any way be payable from County moneys; and

WHEREAS, the Notes shall be in denominations of \$5,000 principal amount, or integral multiples thereof, as permitted by Section 53854 of the Act; and the Note shall further be issued on a date to be designated pursuant to the Purchase Contract (as defined herein), and shall be in the form and executed in the manner prescribed in this Resolution, and the County Resolution (defined herein), all as permitted and required by Section 53853 of the Act; and

WHEREAS, the Board has found and determined that said \$35,000,000.00 maximum principal amount of Notes to be issued in the name of the District by the County Board in fiscal year 2021-22, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including but not limited to revenue from state and federal governments), cash receipts and other moneys of the District which will be available for the payment of the Notes and interest thereon, as required by Section 53858 of the Act; and

WHEREAS, the Notes will not be issued in an amount greater than the maximum anticipated cumulative cash flow deficit to be financed by the anticipated tax or other revenue sources for the period for which such taxes or other revenues are anticipated and during which such Notes are outstanding, all as provided in the Internal Revenue Code of 1986, as amended (the "Code");

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE NAPA VALLEY UNIFIED SCHOOL DISTRICT HEREBY RESOLVES AS FOLLOWS:

Section 1. Authorization of Issuance of Notes; Terms Thereof; Paying Agent. The Board hereby requests the County Board to issue, in the name of the District, an amount not-to-exceed \$35,000,000 principal amount of Notes under the Act, designated "Napa Valley Unified School District (Napa County, California) 2021-22 Tax and Revenue Anticipation Notes." The Notes are authorized to be issued in one or more series of federally taxable or tax-exempt Notes, with appropriate series designation, numbered from 1 consecutively upward in order of issuance, and in the denominations of \$5,000 principal amount or integral multiples thereof (or such other integral multiple as may be provided in the Purchase Contract). The Notes shall be dated the date of delivery thereof; shall mature (with or without option of prior redemption, as set forth in the Purchase Contract) on a day (or days, if more than one series of Notes is issued) in which banks in New York or California are open for business and no later than thirteen months after the date of issuance (on a 30-day month/360-day year basis); and shall bear interest, payable on or before maturity and computed on a 30-day month/360-day year basis, at the per annum rate or rates set forth in the Contract of Purchase relating for the Notes (the "Purchase Contract"), by and among the County, the District and the underwriter named therein (the "Underwriter") but not in excess of the maximum rate allowed by law.

The principal amount of the Notes issued pursuant hereto and to the County Resolution, when added to the interest payable thereon, shall not exceed eighty-five percent (85%) of the estimate of uncollected taxes, income, revenue, cash receipts and other monies of the District which will be available for the payment of the Notes and interest thereon.

Both the principal of and interest on the Notes shall be payable, only upon surrender thereof, in lawful money of the United States of America at the principal corporate office of U.S. Bank National Association, acting as paying agent and registrar for the Notes (the "Paying Agent"). For purposes of the Notes, the Paying Agent shall be deemed to be a "fiscal agent" within the meaning of Section 53601 of the Government Code of the State of California. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable.

Section 2. Form of Notes. The Notes shall be issued in registered form, without coupons, and 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. The Notes shall be initially registered in the name of "Cede & Co." as nominee of The Depository Trust Company, New York, New York ("DTC"), and shall be evidenced by one or more note certificates, in the full principal amount of the Notes. DTC is hereby appointed depository for the Notes. Registered ownership may not thereafter be transferred except as set forth in the resolution of the County Board authorizing the issuance of the Notes by the County pursuant to Section 53853 of the Act (the "County Resolution"). There shall be attached to each Note, the legal opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, respecting the validity of said Notes.

Section 3. Deposit of Note Proceeds; No Arbitrage. The moneys so borrowed shall be deposited in the General Fund of the District. The District hereby covenants that it will make no use of the proceeds of any federally tax-exempt Notes that would cause such Notes to be "arbitrage bonds" under Section 148 of the Code; and, to that end, so long as any of such Notes are outstanding, the District, and all of its officers having custody or control of the proceeds thereof, shall comply with all requirements of said section, including restrictions on the use and investment of proceeds of such Notes and the rebate of a portion of investment earnings on certain amounts, including proceeds of such Notes, if required, to the Federal government, and of the Income Tax Regulations of the United States Treasury promulgated thereunder or under any predecessor provisions, to the extent that such regulations are, at the time, applicable and in effect, so that such Notes will not be "arbitrage bonds."

Section 4. Payment of Notes.

(A) **Source of Payment.** The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue (including but not limited to revenue from state and federal governments), cash receipts and other moneys, including moneys deposited in inactive or term deposits (but excepting certain moneys encumbered for a special purpose), as provided in Section 53856 of the Act, and which are generally available for the payment of current expenses and other obligations of the District (collectively, the "Unrestricted Revenues").

To the extent the Notes mature during the fiscal year succeeding fiscal year 2021-22, the Notes shall be payable only from Unrestricted Revenues which are received in or accrued to fiscal year 2021-22, and such accrued revenues are hereby determined to be accrued to the District's 2021-22 fiscal year, and are further determined to be lawfully available to pay the principal of and interest on the Notes.

The Notes shall be a general obligation of the District, and to the extent the Notes are not paid from the Unrestricted Revenues pledged to the repayment thereof described herein, the Notes shall be paid with interest thereon from any other moneys of the District lawfully available therefor, as provided herein and by law.

(B) **Pledged Revenues.** As security for the payment of the principal of and interest on the Notes, the District hereby pledges such Unrestricted Revenues as may be identified in the Purchase Contract (such pledged amounts being hereinafter called the "Pledged Revenues"). The Pledged Revenues shall be deposited by the District into the Repayment Fund (defined herein) on the date or dates specified in the Purchase Contract.

The principal of the Notes and the interest thereon shall be a first lien and charge against and shall be payable from the first moneys received by the District from such Pledged Revenues, as provided by law.

In the event that there are insufficient Unrestricted Revenues received by the District to permit the deposit into the Repayment Fund, of the full amount of Pledged Revenues to be deposited from such Unrestricted Revenues, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for repayment of the Notes and the interest thereon.

(C) Covenant Regarding Additional Short-term Borrowing. The District hereby covenants and warrants that, while provision for the payment of principal and interest on the Notes has not been made, the District will not request the County Treasurer-Tax Collector (the "Treasurer") to make temporary transfers of funds in the custody of the Treasurer to meet any obligations of the District pursuant to the authority of Article XVI, Section 6 of the Constitution of the State of California or any other legal authority. The foregoing provision shall not prohibit the District from making interfund transfers of its own monies for any authorized purpose.

(D) Deposit of Pledged Revenues in Repayment Fund. The Pledged Revenues shall be held in a special fund designated as the "Napa Valley Unified School District, 2021-22 Tax and Revenue Anticipation Notes Repayment Fund" (herein called the "Repayment Fund") and applied as directed in this Resolution. The Treasurer shall direct the moneys in the Repayment Fund to be invested as provided in Section 4(E) of this Resolution. Any moneys accounted for in the Repayment Fund shall be for the benefit of the owners of the Notes, and until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to maturity, the moneys in the Repayment Fund shall be applied only for the purposes for which the Repayment Fund is created.

(E) Disbursement and Investment of Moneys in Repayment Fund. From the date this Resolution takes effect, all Pledged Revenues shall, when received, be accounted for in the Repayment Fund. After such date as the amount of Pledged Revenues accounted for in the Repayment Fund shall be sufficient to pay in full the principal of and interest on the Notes, when due, any moneys in excess of such amount remaining in or accruing to the Repayment Fund shall be transferred to the general fund of the District upon the request of the District. On the maturity date of the Notes, the moneys in the Repayment Fund shall be used, to the extent necessary, to pay the principal of and interest on the Notes.

Moneys accounted for in the Repayment Fund shall be invested by the County in any one or more investments generally permitted for investment by school districts under the laws of the State of California, consistent with the investment policy of the County, this Resolution and the County Resolution; provided, however, that no such investments shall have a maturity date later than the maturity date of the Notes.

Section 5. Execution of Notes. The District hereby requests the Chair of the County Board of Supervisors to sign the Notes manually or by facsimile signature; the Treasurer to sign the Notes manually or by facsimile signature; the Clerk of the County Board (the "Clerk") to countersign the Notes manually or by facsimile signature; the Clerk to affix the seal of the County thereto by facsimile impression thereof; and said officers to cause the blank spaces thereof to be filled in as may be appropriate. Subject to the provisions of the County Resolution, the District also authorizes the

Paying Agent to manually authenticate the Notes. No Note shall be valid or obligatory for any purpose or shall be entitled to any security or benefit hereunder unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

Section 6. Preliminary Official Statement and Official Statement. The Preliminary Official Statement relating to the Notes, substantially in the form on file with the Secretary to the Board is hereby approved and the Superintendent, the Assistant Superintendent, Business Services or a designee thereof (collectively, the "Authorized Officers"), each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriter to be used in connection with the offering and sale of the Notes. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Notes and is directed to deliver copies of any final Official Statement to the purchasers of the Notes. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

Section 7. Approval of Purchase Contract. The Board hereby approves the sale of the Notes at a negotiated sale. The form of Purchase Contract for the Notes, by and among the District, the County and the Underwriter, substantially in the form on file with the Secretary to the Board, is hereby approved. The Authorized Officers, each alone, are hereby authorized to execute and deliver the Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the maximum interest rate on the Notes shall not exceed that authorized by law and that the Underwriter's discount shall not exceed .3% of the par amount of the Notes. The Authorized Officers are hereby further authorized to determine the maximum principal amount of Notes to be specified in the Purchase Contract, up to \$35,000,000 and to enter into and execute the Purchase Contract with the Underwriter and the County, if the conditions set forth in this Resolution and the County Resolution are satisfied.

Section 8. Delivery of Notes. The proper officers of the County Board are hereby requested to deliver the Notes to the purchaser thereof. All actions heretofore taken by the officers and agents of the Board, including the Authorized Officers or their designees, with respect to the Notes are hereby approved, confirmed and ratified, and the officers of the Board, including the Authorized Officers, are hereby authorized and directed to do any and all things and take any and all actions 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 and the County Resolution.

Section 9. Proceeds of Notes Conditionally Pledged; Investment of Note Proceeds. Notwithstanding anything to the contrary contained herein or in the County Resolution, the proceeds of the Notes shall, prior to their expenditure by the District, be pledged to the payment of the Notes in the event and to the extent sufficient Pledged Revenues of the District and other legally available

revenues are not deposited into the Repayment Fund. Proceeds of the Notes shall be invested by the County in any one or more investments generally permitted for investment by school districts under the laws of the State of California, consistent with the investment policy of the County, this Resolution and the County Resolution.

Section 10. Continuing Disclosure. As may be required in the event of a negotiated sale of the Notes, the Board hereby authorizes and directs the Authorized Officers, each alone, to comply and carry out, all of the provisions of that certain Continuing Disclosure Certificate relating to the Notes, 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 (the "Continuing Disclosure Certificate"). Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default under this Resolution; however, any Noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. The form of Continuing Disclosure Certificate attached as an appendix to the Preliminary Official Statement is hereby approved, and the Authorized Officers, each alone, are hereby authorized and directed to execute and deliver to the purchaser of the Notes such Continuing Disclosure Certificate, with such changes therein as any such official may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. Transmittal of Resolution. The Superintendent or a designee of the District is hereby directed to send a certified copy of this Resolution to the County Board, the Treasurer and the County Superintendent.

Section 12. Indemnification. In connection with the issuance of the Notes on behalf of the District, the District hereby agrees to indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of the sale, issuance and delivery of the Notes in accordance herewith and with the District Resolution. The District further agrees to reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

Section 13. Further Actions Authorized.

(A) Stradling Yocca Carlson & Rauth, a Professional Corporation, is hereby designated as Bond Counsel and Disclosure Counsel to the District, and KNN Public Finance, LLC is hereby appointed as Municipal Advisor to the District, each in connection with the Notes. The Board hereby authorizes the appointment of such Underwriter as shall be identified in the Purchase Contract.

(B) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Notes and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved. It is hereby covenanted that the Board and its appropriate officials will cause the County, to take all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them for carrying out the provisions of this Resolution.

(C) The provisions of this resolution as they relate to the terms of the Notes may be amended by the Purchase Contract.

PASSED AND ADOPTED by the Board of Education of the Napa Valley Unified School District this 22nd day of April, 2021, by the following vote:

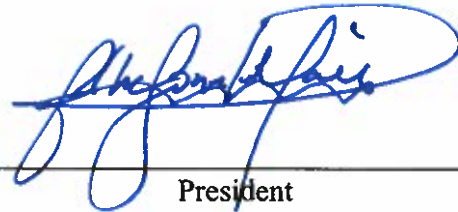
AYES: 7

NOES: 0

ABSENT: 0

ABSTAIN: 0

By: _____



President
Board of Education
Napa Valley Unified School District

ATTEST:

By: _____



Secretary to the Board of Education
Napa Valley Unified School District

SECRETARY'S CERTIFICATE

I, Rosanna Mucetti, Ed.D., Secretary to the Board of Education of the Napa Valley Unified School Napa County, California, hereby certify as follows:

The following is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and legally held at the special meeting place thereof on April 22, 2021, of which meeting all of the members of the Board of Education of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in the Superintendent's office and the foregoing is a full, true and correct copy of the original regulation adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: April 22, 2021

By: Rosanna Mucetti
Secretary to the Board of Education
Napa Valley Unified School District