

TEMPORARY TRANSFER CONTRACT

This Temporary Transfer Contract (the “Contract”) is made and effective this ___ day of _____, 20[___], by and between the County of Orange, California (the “County”) and [INSERT NAME OF SCHOOL DISTRICT or COMMUNITY COLLEGE DISTRICT] (the “District”).

RECITALS

WHEREAS, by Resolution No. ___ of its Board of Trustees (attached as Exhibit A hereto), the District has requested the County Treasurer to make a temporary transfer (the “Transfer”) of monies to meet its current maintenance expenses; and

WHEREAS, the District has not issued, nor will issue, a TRAN or other borrowing of any kind or nature for the purpose of funding the District’s short term cash flow, which is outstanding in whole or in part, while a Transfer is outstanding; and

WHEREAS, California Constitution Article XVI, Section 6, provides that the County Treasurer shall have the power and the duty to make temporary transfers of monies, as further specified therein, upon the resolution of the Board of Supervisors authorizing such temporary transfer; and

WHEREAS, the Board of Supervisors by Resolution No. _____ (attached as Exhibit B hereto) has authorized the Treasurer to make the Transfer to the District in accordance with the terms of such Resolution; and

WHEREAS, this Contract represents the contract of the County and the District with respect to the Treasurer’s making the Transfer and its repayment by the District.

CONTRACT

Section 1. ***Transfer; Timing.*** Upon receipt of the District’s written request (Exhibit C) certified by the District and the Superintendent of Schools, if applicable, the Treasurer will review the request and determine, in addition to exercising her trust and fiduciary duties with respect to protecting all of the Educational Investment Pool participants from any principal loss and ensuring adequate liquidity to meet operating cash needs, that such monies are available for such Transfers, whether to make such Transfer to the District in the amount requested, as soon as reasonably possible, *provided, however,* that in no event shall the total amount of all Transfers within the fiscal year exceed 85% of the anticipated revenues which will accrue to the District during the fiscal year. No Transfer attributable to a subsequent fiscal year will be made prior to the full and complete repayment of all outstanding Transfers.

An authorized Transfer may be made to the District in one or more installments.

No Transfer shall be made prior to July 1 of the fiscal year (July 1 through June 30) for which the Transfer is made or after the last Monday in April of the then current fiscal year.

The Transfer will be made from and limited to the Educational Investment Pool.

Section 2. **Deposit of Transfer: Interest.** Any Transfer made by the Treasurer to the District shall be directly deposited in the District's _____ Fund (the "Fund") for the purpose of the District meeting its maintenance obligations. Compound interest on any Transfer will accrue and be payable monthly by the District at a rate equal to the gross rate the Educational Investment Pool is earning for the same period plus _____ basis points from the date of the Transfer until the entire Transfer and applicable interest is repaid.

Section 3. **Repayment: Pledge and Lien.** (a) Repayment of the Transfer will be made in accordance with the following repayment schedule: [INSERT] (b) If the District shall fail to make any payment(s) required under Section 3 (a), the monies transferred to the District will be repaid to the Educational Investment Pool from the first revenues accruing to the District before any other obligation of the District is met from such revenue. Full repayment of any Transfer shall be made no later than October 31 following each fiscal year. Notwithstanding anything to the contrary herein, the District understands and agrees that repayment of any and all Transfers is an obligation imposed by law and the obligation of the District to make payments with respect to such Transfer(s) is absolute and unconditional, payable from lawfully available funds of the District. In furtherance of the District's repayment obligations, District hereby grants the County a first lien and pledge of all revenues accruing to the District for the purpose of repayment of the Transfer(s).

Section 4. **District Covenants.** The District hereby represents and covenants with the County at the time each Transfer is made, the following:

- (a) That the District's Anticipated Revenue Calculation and Remaining General Fund Revenue Calculation for Fiscal Year 20__ -20__ , as provided for in Exhibit C attached hereto, represents the District's best estimate of anticipated revenues accruing and remaining revenues accruing to the District during the fiscal year.
- (b) In the aggregate, the amount of Transfers made to the District during Fiscal Year 20__ -20__ do not exceed 85 percent of the anticipated revenues accruing to the District for such Fiscal Year.
- (c) The District has not issued, nor will issue, any TRANS, or other borrowing of any kind or nature for the purpose of funding the District's short term cash flow, while a Transfer is outstanding.
- (d) The District has the ability to meet its financial obligations under this Contract.

The County may rely upon Exhibit C in connection with any Transfer sizing.

Section 5. **Transfer Charges.** In further consideration of the Transfer(s) made to the District in accordance with this Contract, the District agrees to pay the County Transfer Charges for each Transfer as set forth on the Listing of Fees at Exhibit D. These charges are intended to reimburse the County for its costs related to the Transfer processing, analysis, documentation, legal services and administration. The Transfer charges shall be directly withdrawn from the Fund designated by the District in Section 2 above on the date the Transfer is deposited or on a monthly basis for transaction related fees.

Section 6. **Notices.** Any and all notices between the County and the District provided for or permitted under this Contract or by law shall be in writing and shall be deemed duly given when personally delivered to one of the parties or in lieu of such personal service, when deposited in the United States mail, postage prepaid, addressed to such party at the following address:

If to the County:

County of Orange
 Attention: Treasurer-Tax Collector
 P.O. Box 4515
 Santa Ana, CA 92702-4515
 Telephone: (714) 834-7625 Facsimile: (714) 834-2912

If to District:

[INSERT CONTACT INFORMATION]

Section 7. **Governing Law, Venue and Entire Contract.** This Contract has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394.

Furthermore, the parties have specifically agreed, as part of the consideration given and received for entering into this Contract, to waive any and all rights to request

that an action be transferred for trial to another county under Code of Civil Procedure Section 394.

This Contract constitutes the entire contract between the County and the District with respect to the Transfer and supersedes any previous contract(s), negotiations, proposals or understanding, whether written or oral concerning such matter, unless expressly included in this Contract.

Section 8. **Dispute Resolution.** In the event of any dispute regarding this Contract or any Transfer made hereunder and as conditions precedent to the filing of any legal action, the District and the County shall meet regarding the dispute and use their best efforts to resolve the matter. Should the meeting fail to resolve the dispute, the parties may enter into mediation with an impartial professional mediator agreed to by both the District and County. The District agrees to pay all County costs and expenses in accordance with a dispute hereunder, including, without limitation, all costs and expenses of the County relating to the collection of any Transfer repayment(s).

Section 9. **Amendment or Modifications.** No amendment, modification or other alteration of this Contract shall be valid unless in writing and signed by the parties hereto.

Section 10. **Severability.** In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Contract and such invalidity shall in no way affect, impair, or invalidate any other provision contained herein if there is no substantive effect to the services to be rendered to the County by such judicial finding of invalidity.

Section 11. **Counterparts.** This Contract may be executed in any number of counterparts, each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Contract.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]


IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed as of the date first written above.

County of Orange, California

By: _____

Shari L. Freidenrich
Treasurer-Tax Collector

Approved as to Form
Office of the County Counsel

By:  _____

Ronald T. Magsaysay, Deputy County Counsel
Office of the County Counsel

[INSERT NAME OF SCHOOL DISTRICT]

By: _____
[NAME OF AUTHORIZED OFF.]
[TITLE]

RESOLUTION OF THE _____

Exhibit B

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
ORANGE COUNTY, CALIFORNIA**

February 6, 2024

WHEREAS, various school districts and community college districts (the “District” or “Districts”) within the County of Orange have requested that the County Treasurer make temporary transfers (the “Transfer” or “Transfers”) of monies to meet their current maintenance expenses; and

WHEREAS, California Constitution Article XVI, Section 6, provides that the County Treasurer shall have the power and the duty to make such temporary transfers of monies, as further specified therein, upon resolution adopted by this Board of Supervisors (“Board”) authorizing such temporary transfers; and

WHEREAS, pursuant to California Constitution Article XVI, Section 6 and Education Code section 42620, the total amount that may be temporarily transferred to a District may not exceed 85% of the anticipated revenues which will accrue to the District during the fiscal year (“FY”); and

WHEREAS, the Board of Supervisors desires to authorize the Treasurer to make Transfers to the Districts for FY 2024-2025, FY 2025-2026, FY 2026-2027, FY 2027-2028, and FY 2028-2029, make such findings and determinations and provide for the repayment of the Transfers, all in accordance with the California Constitution and other applicable law.

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby:

1. Finds and determines that the Transfers to Districts are in the public interest and serve a valid public purpose.
2. The Transfers of monies to Districts is hereby approved for FY 2024-2025, FY 2025-2026, FY 2026-2027, FY 2027-2028, and FY 2028-2029.

3. The County Treasurer is hereby authorized and directed to make Transfers to Districts, from the total funds on deposit with the Treasurer for all of Orange County school districts and community college districts excluding debt service and bond project funds of such districts, provided the Treasurer determines, in addition to exercising her trust and fiduciary duties with respect to protecting the total funds on deposit with the Treasurer for all Orange County school districts and community college districts from any principal loss and ensuring adequate liquidity to meet operating cash needs, that such monies are available for such Transfers. The Treasurer shall make Transfers only to those Districts which can demonstrate an ability to meet their financial obligations under a Temporary Transfer Contract and funds to be transferred cannot exceed 85% of the anticipated revenues accruing to the District for that fiscal year. This statement and amount shall be certified by the District and by the Superintendent of Schools if applicable and must be accompanied by a copy of the resolution from the District authorizing the Transfer Contract with the Treasurer.

4. For FY 2024-2025, Transfer(s) to a District may be made by the Treasurer in one or more installments and shall not be made prior to July 1, 2024, nor later than April 28, 2025. Any Transfer made in FY 2024-2025 shall be repaid no later than October 31, 2025.

5. For FY 2025-2026, Transfer(s) to a District may be made by the Treasurer in one or more installments and shall not be made prior to July 1, 2025, nor later than April 27, 2026. Any Transfer made in FY 2025-2026 shall be repaid no later than October 31, 2026.

6. For FY 2026-2027, Transfer(s) to a District may be made by the Treasurer in one or more installments and shall not be made prior to July 1, 2026, nor later than April 26, 2027. Any Transfer made in FY 2026-2027 shall be repaid no later than October 31, 2027.

7. For FY 2027-2028, Transfer(s) to a District may be made by the Treasurer in one or more installments and shall not be made prior to July 1, 2027, nor later than April 24, 2028. Any Transfer made in FY 2027-2028 shall be repaid no later than October 31, 2028.

8. For FY 2028-2029, Transfer(s) to a District may be made by the Treasurer in one or more installments and shall not be made prior to July 1, 2028, nor later than April 30, 2029. Any Transfer made in FY 2028-2029 shall be repaid no later than October 31, 2029.

Page 2 of 3

9. A Transfer to a District will be made from and limited to the total funds on deposit with the Treasurer for all of Orange County School and Community College districts

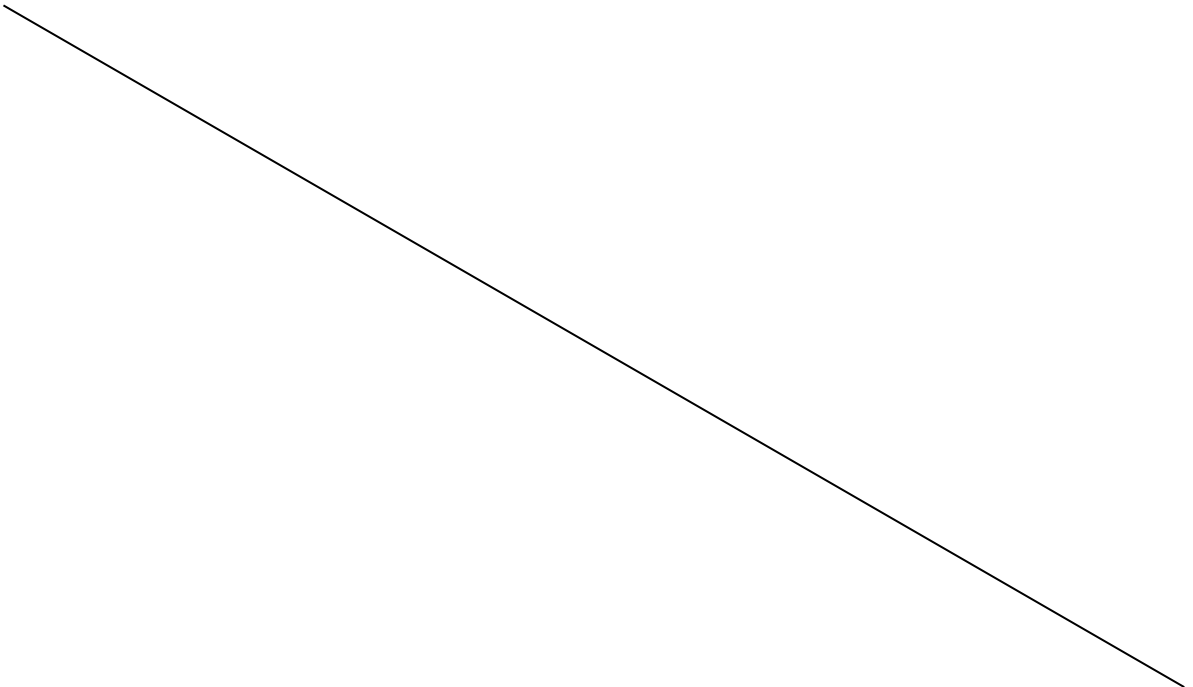
excluding all debt service and bond project funds.

10. The monies transferred to a District pursuant to this Resolution shall be repaid to the Treasurer from the first revenues accruing to the borrowing District before any other obligation of such District is met from such revenue. Compound interest on any Transfer installment will accrue and be payable monthly by the District at a rate equal to the gross pool rate the District is earning for the same period plus a liquidity fee not to exceed 10 basis points, to be set annually by the Treasurer, from the date of the Transfer until the entire Transfer and applicable interest is repaid.

11. The District also agrees to reimburse the County for its actual costs in reviewing, processing, and administering the District's Transfer request.

12. The Form of Temporary Transfer Contract is hereby approved in the form presented, and the County Treasurer is hereby authorized and directed to execute Temporary Transfer Contracts on behalf of the County.

13. This resolution shall take effect immediately.



TEMPORARY TRANSFER REQUEST
(Cal. Const. Art. XVI Sec. 6)

Requested Transfer Date: _____

Request # _____

District: _____

Maximum amount that the School District may request for temporary transfer: \$ _____

Temporary transfer amount requested: \$ _____

Revenues	Current Board Approved Operating Budget	Actuals to Date as of _ / _ / _	Remaining Balance	85% of Remaining Balance
Property Tax and State Aid Revenue				
Federal Revenues				
Other State Revenues				
Other Local Revenues				
Total Revenues				

Request is made for temporary transfer of \$ _____ from the Orange County School and Community College districts in custody of the County Treasurer which are certified to be necessary to provide funds for meeting the obligations incurred for maintenance purposes for the above named district for the _____ fiscal year pursuant to the resolution of the governing board of the district adopted on _____, pursuant to California Constitution Article XVI, Section 6. Funds will be used for:

- _____ Operational Expenses
- _____ Current Payroll

Transfer amount will be repaid on or before October 31, 2XXX

I further certify that the above named district has no outstanding Tax & Revenue Anticipation Notes (TRANS), will not borrow funds under a TRANS during the period of time this temporary transfer remains unpaid, and that the District has the ability to meet its financial obligations under the Transfer Contract.

District Superintendent/Designee Title Date

County Superintendent of Schools/Designee (if applicable) Title Date

Chancellor of Community College District/Designee (if applicable) Title Date

For Internal Use Only

Certification of County Treasurer

____ Funds are available for transfer to the above named district.

County Treasurer-Tax Collector

Date

Total Balance of School and Community College Districts Funds on Deposit excluding debt service and bond project funds	\$
Date	
Total Loans Outstanding	\$
% of Loans to Schools and Community College Districts' Balance	
WAM – Overall Pool	
Amount Transferred	\$
Date of Transfer	