

MEMORANDUM

To: Rob Pierce
From: Rich Malone *REM*
Date: March 11, 2021
Re: General Obligation Bonds, Election of 2016, Series 2021 -- Authorizing Resolution and Financing Documents

Rob, in order to assist the Board with a review and understanding of the main documents involved with the issuance of the General Obligation Bonds, Election of 2016, Series 2021 (the "Bonds"), we have prepared this memorandum summarizing the purpose and contents of the authorizing resolution.

Resolution

In addition to authorizing the sale of the Bonds via a competitive bid process using the negotiated sale statutes, the Resolution also:

- Sets the maximum amount of Bonds that may be issued (\$140.5 million) and the maximum compensation that the underwriter may earn (2.0% of the issue amount of the Bonds)
- Requests the County to levy taxes for in order to pay debt service on the Bonds
- Prescribes certain terms and conditions of the Bonds, including the payment dates, the method of interest calculation, and bond redemption and defeasance procedures
- Identifies Lozano Smith, LLP as bond counsel, Zions Bancorporation, National Association as paying agent and our firm as financial advisor to the District with respect to the Bonds, all the same as the prior issuances authorized by Measure M
- Approves the forms of various documents related to the Bond issuance (as further described in the following sections)
- Authorizes certain District officials to execute the final versions of the documents with information available after the Bond sale

Note that since the resolution approves the financing documents in form only to be finalized after the sale of the Bonds, many of the financial terms in the documents are blank.

Exhibit A: Form of Bond

The final Bonds will be executed by the District prior to closing and entitle the holders thereof to receive principal and interest pursuant to the terms described in the Resolution.



Form of Bond Purchase Agreement

The Bond Purchase Agreement specifies the terms and conditions under which the underwriter will purchase the Bonds, identifies the purchase price that the District will receive and the debt service due on the Bonds, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the underwriter. This document will be finalized on the day of sale of the Bonds (anticipated to be during the week of March 29, 2021).

Form of the Preliminary Official Statement

The *Preliminary Official Statement* (the "POS") is the offering document containing material information for an investor to make an informed investment decision. Please note that the POS provided is a draft and is not complete. The completed version of the POS will be prospective investors approximately one week before the currently planned sale date.

Each Board member should review the POS and let District staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the Bonds. In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables the Bonds to be effectively marketed to potential investors. Based on the current schedule of events, it would be very helpful if any questions or comments regarding the POS could be shared with us by March 24, 2021.

After the sale of the Bonds, we will incorporate the terms of the sale, including the final principal amounts and interest rates, at which point the document becomes the final Official Statement. The resolution also authorizes officers of the District to execute the final Official Statement.

Appendix B: Form of Continuing Disclosure Certificate

The Continuing Disclosure Certificate outlines the District's responsibilities for updating the municipal market and investors with information after the Bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.

Rob, I hope that you have found this memorandum helpful. As always, please let us know if you have any questions.

RM: abm