

## **Official Statement Approval Cover Memorandum**

The Preliminary Official Statement (the “POS”) is the document that will be printed and circulated to potential investors in the Bonds. The POS describes to investors the terms of the bonds (principal maturity amounts and dates, interest payment dates), and the security for the bonds (in the case of general obligation bonds, *ad valorem* taxes levied and collected in the District in a sufficient amount to pay debt service coming due in each fiscal year on the Bonds), describes the District’s tax base, and also presents District financial information to provide an investor with information regarding the District’s overall financial health.

Securities laws require that a POS (i) not contain any misleading information and (ii) not omit any material information. In authorizing the issuance of securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may a public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading. If a Board member is aware of something that should be considered and disclosed in the POS relating to the District’s ability to pay the proposed Bonds from *ad valorem* property tax levies and collections with respect to properties located in the District, which is not currently addressed in the POS, that member should advise the financing team so it can be considered and possibly disclosed to investors to the extent it is deemed material for purposes of making an informed investment decision in the proposed general obligation bonds.

Note that the Resolution approves the POS, and delegates authority to the District’s staff to make changes and updates to the POS following approval but before the Preliminary Official Statement is printed and distributed to investors.