

## SUMMARY FOR RESOLUTION NO. 04:20-21 - TAX AND REVENUE NOTES PROGRAM

The Perris Union High School District (the “District”) currently projects that it will experience a cash flow shortfall during fiscal year 2020-21 created by timing differences between its anticipated expenditures and estimated receipt of revenues, including deferred State funding. Resolution No. 04:20-21 being presented to the Governing Board authorizes a borrowing by the District to address this cash flow shortfall through the issuance of a tax and revenue anticipation note (a “TRAN”).

(a) TRAN Resolution. The resolution authorizes the issuance of a TRAN by the District in an amount not-to-exceed \$12,185,000, at legal interest rates, and the participation by the District in the Riverside County Office of Education Pooled Cross Fiscal Year 2020-21 Tax and Revenue Anticipation Notes Program (the “Program”). By participating in the Program, the District’s TRAN will be marketed together with TRANs of other school districts in Riverside County.

(b) Form of Purchase Agreement; Trust Agreement; Preliminary Official Statement. The Resolution approves the forms of Note Participation Purchase Agreement (the “Purchase Agreement”), Trust Agreement (the “Trust Agreement”) and Preliminary Official Statement (the “POS”) for the Program. All three documents are being approved in their current form, and staff is being authorized to fill in any existing blanks in the documents and to approve their final form.

Pursuant to the Purchase Agreement, the underwriters named therein will agree to buy a series of note participations (the “Note Participations”) representing investors’ interests in the TRANs of the District and all other school districts participating in the Program. All the conditions of closing the transaction are set forth in this document, including the documentation to be provided at the closing by various parties. Upon the pricing of the Note Participations and the District’s TRAN, the final execution copy of the Purchase Agreement will be prepared following this form.

The Trust Agreement is signed by the trustee bank identified therein (the “Trustee”), and each participating district in the Program. The Trust Agreement sets out instructions to the Trustee for the deposit and disbursement of (1) the funds received from the issuance of the TRANs and (2) funds transmitted by the participating districts to repay their TRANs. The Trust Agreement also sets forth the terms of the Note Participations and the rights of investors.

The POS is the offering document describing the Note Participations and the District’s TRAN which will be distributed to prospective purchasers of the Note Participations. The POS will disclose information with respect to, among other things, (i) the proposed uses of proceeds of the TRAN, (ii) the terms of the TRAN and the Note Participations (interest rate, maturity, yield, etc.), (iii) the security for repayment of the TRAN (the pledge of revenues described below), (v) certain District financial and operating data (together with financial and operating data of the other participating districts), and (vi) absence of material litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Note Participations. Following the pricing of the Note Participations and the TRAN, a final Official Statement for the Note Participations will be prepared, substantially in the form of the POS.

Currently, it is expected that, pursuant to the Purchase Agreement, the District will pledge a portion of the revenues expected to be received in or accrued to the District’s 2020-21 fiscal year to the repayment of the TRAN. However, the TRAN will be a general obligation of the District payable from its General Fund, and to the extent pledged revenues are not available, the TRAN will be paid from other legally available moneys of the District. The District will not have any obligation to pay the TRANs of the other districts participating in the Program, and the District will not be liable for the failure of any other district participating in the Program to pay its own TRAN.