

## Commercial Paper Program

for voter-approved school district projects. The District developed this \$150 million program to fund projects during construction, benefit from low short-term interest rates, and provide the flexibility of instant access to the capital markets. Once the outstanding commercial paper reaches a significant amount (generally \$100-125 million), the District then issues long-term debt to retire the outstanding commercial paper.

The commercial paper notes are fixed-rate, short-term instruments with maturity dates of not more than 270 days. The program was developed as an integral part of the overall financing plan and has allowed the District to enjoy low short-term interest rates during construction while mitigating negative arbitrage.

On June 2<sup>nd</sup>, 2020, the District entered into a new liquidity agreement with Sumitomo Mitsui Banking Corporation (SMBC). The District's Series A notes are now backed by a Standby Letter of Credit from