

POWAY UNIFIED SCHOOL DISTRICT  
BOARD OF EDUCATION  
SPECIAL BOARD MEETING  
August 11, 2022



**PUSD VISION STATEMENT**

*Creating Culture and Conditions to Empower World-Class Learners*

**PUSD MISSION STATEMENT**

*Inspiring Passion and Preparing Every Student to Thrive in College, Career, and Life by Providing Personalized, Rich, and Rigorous Learning Experiences*

Written notice is hereby given that the following special meeting of the Governing Board of the Poway Unified School District and of the Poway Unified School District Public Financing Authority will be held:

**DATE: August 11, 2022**

**TIME: 5:40 p.m.**

**PLACE: District Office, 15250 Avenue of Science  
San Diego, CA 92128**

**1.0 CALL TO ORDER**

- 1.1 Pledge of Allegiance
- 1.2 Members in Attendance

**2.0 PUBLIC COMMENT**

The Board will hear public comment on agenda items only.

**3.0 ACTION ITEMS**

- 3.1 Approval of Resolution No. 03-2023 Entitled "Authorizing a New Adjustment Period and a New Adjusted Interest Rate with Respect to the Poway Unified School District Certificates of Participation (2012 School Facilities Restructuring Program); Approving the Form of a Certificate Purchase Agreement; Approving the Form of Unenhanced Extended Rate Mode New Adjustment Period and New Adjusted Interest Rate Additional Provisions to Trust Agreement and Lease Agreement; Authorizing the Execution and Delivery by the District of the Certificate Purchase Agreement, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions"

*The meeting of the Board of Education will be adjourned in order to open the meeting of the Poway Unified School District Public Financing Authority.*

- 3.2 Approval of Resolution No. 02-2023 Entitled "Approving the Form of a Certificate Purchase Agreement and Unenhanced Extended Rate Mode New Adjustment Period and New Adjusted Interest Rate Additional Provisions; Authorizing the Execution and Delivery by the

Authority of the Certificate Purchase Agreement, and Authorizing the Execution of  
Necessary Documents and Certificates and Related Actions”

*The meeting of the Poway Unified School District Public Financing Authority will be adjourned in order to open the meeting of the Board of Education.*

**4.0 ADJOURNMENT / NEXT MEETING**

The next regularly scheduled Board Meeting will be held on Thursday, August 11, 2022,  
at 6:00 p.m.

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*In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please contact the office of the District Superintendent at (858) 521.2700 [15250 Avenue of Science, San Diego]. Notification 24 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.*

*Written materials relating to an item on this agenda that are distributed to the Poway Unified School District Board of Education within 24 hours before it is to consider the item at a special meeting will be available for public inspection at 15250 Avenue of Science, San Diego, during normal business hours. Such written materials will also be made available on the district website [www.powayusd.com], subject to staff's ability to post the documents before the regularly scheduled meeting.*

**TO: BOARD OF EDUCATION**

**MEETING DATE:** August 11, 2022

**FROM:** Ron Little

**AGENDA ITEM:** 3.1

Staff Support: Rheia Alschbach

**SUBJECT: APPROVAL OF RESOLUTION NO. 03-2023 ENTITLED "AUTHORIZING A NEW ADJUSTMENT PERIOD AND A NEW ADJUSTED INTEREST RATE WITH RESPECT TO THE POWAY UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION (2012 SCHOOL FACILITIES RESTRUCTURING PROGRAM); APPROVING THE FORM OF A CERTIFICATE PURCHASE AGREEMENT; APPROVING THE FORM OF UNENHANCED EXTENDED RATE MODE NEW ADJUSTMENT PERIOD AND NEW ADJUSTED INTEREST RATE ADDITIONAL PROVISIONS TO TRUST AGREEMENT AND LEASE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF THE CERTIFICATE PURCHASE AGREEMENT, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS"**

- Action
- Consent Calendar
- First Reading
- Information
- Presentation
- Public Hearing
- Roll Call Vote Required

**RECOMMENDATION:**

**Approve Resolution No. 03-2023, authorizing the sale of certificates with a new adjustment period and new adjusted interest rate to purchaser on change date for unenhanced extended rate mode.**

**DISCUSSION/PROGRAM:**

In September of 2012, the Poway Unified School District (the "District") caused to be executed and delivered the Poway Unified School District Certificates of Participation (2012 School Facilities Restructuring Program) (the "Certificates") in the aggregate principal amount of \$57,300,000 to refinance the outstanding indebtedness and fund remaining school construction projects of which \$54,460,000 is currently outstanding. The District has a long history of using various community facilities districts ("CFDs") and their improvement areas ("IAs") to finance schools facilities. While the first priority of the special tax revenues received by the IAs is to repay special tax bonds that are senior debt, the surplus special taxes are used to pay debt service on the Certificates.

The 2012 COPs were initially sold to U.S. Bank National Association ("U.S. Bank") with a 3-year locked Initial Rate Mode at a 2.90% interest rate expiring in 2015. In 2015, the District elected to change the mode

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**LEGAL REFERENCE: Federal, State and Education Statutes regarding the issuance of tax exempt securities**

**FISCAL IMPACT:** N/A

**MOVED BY:** \_\_\_\_\_ **SECONDED BY:** \_\_\_\_\_

**VOTE:** COUVRETTE \_\_\_ O'CONNOR-RATCLIFF \_\_\_ PATEL \_\_\_ SYTSMA \_\_\_ ZANE \_\_\_ **STUDENT PREFERENTIAL VOTE:** PUNTAMBEKAR \_\_\_

to the Unenhanced Extended Rate Mode and the District and U.S. Bank negotiated an extension of the new mode through September 1, 2018, at a 1.95% interest rate. On September 1, 2018, U.S. Bank specified and consented to a new adjustment period through September 1, 2022, at a 2.96% interest rate. With the rate extension expiration date drawing near as well as a rising interest rate environment, Piper Sandler & Co. (the "Placement Agent") solicited bids for a new adjustment period and adjusted interest rate for the Certificates. Fieldman Rolapp & Associates, Inc., the District's municipal advisor, has determined it would be in the District's best financial interests to maintain the Unenhanced Extended Rate Mode for the Certificates and to effect a new Adjustment Period and Adjusted Interest Rate for the Certificates through the sale of the Certificates to CN Financing, Inc. (the "Purchaser") with a new Adjustment Period of 11 years (the "New Adjustment Period") and an Adjusted Interest Rate of 4.24% (the "New Adjusted Interest Rate"). Additionally, consistent with the District's Special Tax Reduction Plan, the District plans to utilize special tax funds on hand to pay down a portion of the outstanding Certificates on September 1, 2022. Information was provided to the Board at its June 16, 2022 meeting.

The District has assembled the necessary documents to complete sale of the Certificates to the Purchaser and effect the New Adjustment Period and Adjusted Interest Rate. A brief summary of each document can be found below:

- A. Certificate Purchase Agreement:** The Certificate Purchase Agreement by the Purchaser and accepted and agreed to by the District and the Poway Unified School District Public Financing Authority (the "Authority") authorizes the Certificates to be sold to the Purchaser at the New Adjustment Period at the New Adjusted Interest Rate;
- B. Unenhanced Extended Rate Mode Additional Provisions:** The Written Certificate of the District which incorporates the form of the Unenhanced Extended Rate Mode Additional Provisions for the New Adjustment Period and the New Adjusted Interest Rate (the "Additional Provisions"). The Additional Provisions will be incorporated into the Trust Agreement and Lease Agreement upon the sale of the Certificates to the Purchaser on September 1, 2022.

By adopting Resolution No.03-2023 the Board will be approving:

- the sale of the Certificates to CN Financing, Inc. pursuant to the Certificate Purchase Agreement;
- the new Adjustment Period and new Adjusted Interest Rate;
- the form of the Written Certificate including the Unenhanced Extended Rate Mode Additional Provisions; and
- the execution and delivery of necessary documents and certificates and related items.

**Poway Unified School District**

**RESOLUTION NO. 03-2023**

**AUTHORIZING A NEW ADJUSTMENT PERIOD AND A NEW ADJUSTED INTEREST RATE WITH RESPECT TO THE POWAY UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION (2012 SCHOOL FACILITIES RESTRUCTURING PROGRAM); APPROVING THE FORM OF A CERTIFICATE PURCHASE AGREEMENT; APPROVING THE FORM OF UNENHANCED EXTENDED RATE MODE NEW ADJUSTMENT PERIOD AND NEW ADJUSTED INTEREST RATE ADDITIONAL PROVISIONS TO TRUST AGREEMENT AND LEASE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF THE CERTIFICATE PURCHASE AGREEMENT, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**ON MOTION** of Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the following resolution is adopted:

**WHEREAS**, in order to provide financing and refinancing of certain schools and support facilities of the Poway Unified School District (the “District”), and land necessary for certain of such facilities, the District caused to be executed and delivered the Poway Unified School District Certificates of Participation (2012 School Facilities Restructuring Program) (the “Certificates”);

**WHEREAS**, in order to provide funds to finance and refinance such school facilities, the District leased certain real property and the improvements thereto (the “Property”) to the Poway Unified School District Public Financing Authority (the “Authority”) pursuant to a Ground Lease;

**WHEREAS**, the District subleased the Property back from the Authority pursuant to a Lease Agreement, dated as of September 1, 2012 (the “Original Lease Agreement”), as amended and supplemented by the First Amendment to Lease Agreement, dated as of September 1, 2018 (the “First Amendment to Lease Agreement” and, together with the Original Lease Agreement, the “Lease Agreement”);

**WHEREAS**, the Certificates were executed and delivered pursuant to the Trust Agreement, dated as of September 1, 2012 (the “Original Trust Agreement”) as amended and supplemented by the First Supplemental Trust Agreement, dated as of September 1, 2018 (the “First Supplemental Trust Agreement” and, together with the Original Trust Agreement, the “Trust Agreement”), by and among U.S. Bank Trust Company National Association, previously known as U.S. Bank National Association, as trustee (the “Trustee”), the Authority and the District (capitalized undefined terms used herein have the meanings ascribed thereto in the Trust Agreement);

**WHEREAS**, the Certificates were initially executed and delivered in the Initial Mode and continued in such Mode to and including the day before September 1, 2015, the Change Date for the Initial Mode;

**WHEREAS**, the Trust Agreement provided that, on the Change Date for the Initial Mode, the District shall effect a Change in Mode, as provided therein;

**WHEREAS**, the District, acting pursuant to the Trust Agreement and with the consent of U.S. Bank National Association (“U.S. Bank”) as the Owner of all of the Outstanding Certificates, effected a Change in Mode for the Certificates from the Initial Mode to the Unenhanced Extended Rate Mode and a new Adjustment Period for the Unenhanced Extended Rate Mode and an Adjusted Interest Rate that each became effective upon such Change in Mode;

**WHEREAS**, the Trust Agreement provided that on the Change Date for such new Adjustment Period, being September 1, 2018, the District shall effect a Change in Mode from the Unenhanced Extended Rate Mode to the Enhanced Mode or to the Fixed Rate Mode unless the Owners of the Certificates shall have consented to a new Adjustment Period for the Unenhanced Extended Rate Mode and a new Adjusted Interest Rate during such new Adjustment Period;

**WHEREAS**, U.S. Bank as the Owner of all of the Outstanding Certificates consented to a new Adjustment Period for the Unenhanced Extended Rate Mode and a new Adjusted Interest Rate during such new Adjustment Period from and including September 1, 2018 to but not including September 1, 2022 (the “Current Change Date”);

**WHEREAS**, the Trust Agreement provides that in order to cause a new Adjustment Period to be in effect on the Current Change Date and a new Adjusted Interest Rate to be evidenced by the Certificates in the Unenhanced Extended Rate Mode on the Current Change Date, the Owners of the Certificates shall have consented to such new Adjustment Period to be in effect on such Change Date and such new Adjusted Interest Rate to be evidenced by the Certificates during such Adjusted Period or a Purchaser is prepared to purchase all of the Certificates in the Unenhanced Extended Rate Mode, with such new Adjustment Period to be in effect on the Current Change Date and a new Adjusted Interest Rate to be evidenced by the Certificates during such Adjustment Period;

**WHEREAS**, CN Financing, Inc., a California Corporation (the “Purchaser”) has offered to purchase the Certificates at a lower new Adjustment Interest Rate than U.S. Bank and based upon the recommendation of Fieldman Rolapp & Associates, Inc., the District’s municipal advisor, and concurred in by District staff, this Board of Education has determined that it would be in the District’s best financial interests to maintain the Unenhanced Extended Rate Mode for the Certificates and to effect a new Adjustment Period and Adjusted Interest Rate for the Certificates through a sale of the Certificates with a new Adjustment Period and a new Adjusted Interest Rate to the Purchaser;

**WHEREAS**, the Certificates will be sold to the Purchaser pursuant to a Certificate Purchase Agreement by the Purchaser and accepted and agreed to by the District and the Authority (such Certificate Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Contract”);

**WHEREAS**, the District and the Purchaser desire that certain Additional Provisions be incorporated into the Trust Agreement and the Lease Agreement (such Additional Provisions, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Unenhanced Extended Rate Mode New Adjustment Period and New Adjusted Interest Rate Additional Provisions”);

**WHEREAS**, Section 13.02 of the Trust Agreement provides that the District may cause Additional Provisions to be incorporated into the Trust Agreement on the Change Date for the Unenhanced Extended Rate Mode upon a purchase by a Purchaser of the Certificates pursuant to Section 3.09 of the Trust Agreement by

delivering to the Trustee, on or before the date of such Change Date, a Written Certificate of the District directing that such Additional Provisions, a copy of which shall be attached to such Written Certificate, be incorporated into the Trust Agreement on and as of the date of such Change Date, and that said Additional Provisions shall remain in effect until (A) a Change in Mode is effected from the Unenhanced Extended Rate Mode to another Mode or (B) other Additional Provisions are incorporated into the Trust Agreement pursuant to the Trust Agreement and, upon such Change in Mode or incorporation, said Additional Provisions shall be of no further force or effect;

**WHEREAS**, Section 10.02 of the Lease Agreement provides that the District may cause Additional Provisions to be incorporated into the Trust Agreement on the Change Date for the Unenhanced Extended Rate Mode upon a purchase by a Purchaser of the Certificates pursuant to Section 3.09 of the Trust Agreement by delivering to the Trustee, on or before the date of such Change Date, a Written Certificate of the District directing that such Additional Provisions, a copy of which shall be attached to such Written Certificate, be incorporated into the Lease Agreement on and as of the date of such Change Date, and that said Additional Provisions shall remain in effect until (A) a Change in Mode is effected from the Unenhanced Extended Rate Mode to another Mode or (B) other Additional Provisions are incorporated into the Lease Agreement pursuant to the Lease Agreement and, upon such Change in Mode or incorporation, said Additional Provisions shall be of no further force or effect;

**WHEREAS**, there have been prepared and submitted to this meeting forms of:

- A. the Purchase Contract; and
- B. the Unenhanced Extended Rate Mode New Adjustment Period and New Adjusted Interest Rate Additional Provisions; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Education of the Poway Unified School District, as follows:

1. All of the recitals herein contained are true and correct and the Board of Education of the District so finds.
2. The new Adjustment Period to be in effect on the Change Date for the Unenhanced Extended Rate Mode and the new Adjusted Interest Rate to be evidenced by the Certificates during such new Adjustment Period are hereby approved, and the President of the Board, and such other member of the Board as the President may designate, the Superintendent of the District and the Associate Superintendent, Business Support Services, of the District and such other officer or employee of the District as the Superintendent may designate (the "Authorized Officers"), are each hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to effect such new Adjustment Period and such new Adjusted Interest Rate; provided, however, that (a) the new Adjustment Period to be in effect upon the Change Date for the Unenhanced Extended Rate Mode shall not be longer than eleven years, and (b) the new Adjusted Interest Rate shall not exceed 4.24% per annum.

3. The form of the Purchase Contract, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to execute and deliver the Purchase Contract in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

4. The form of written certificate setting forth the Unenhanced Extended Rate Mode New Adjustment Period and New Adjusted Interest Rate Additional Provisions, in substantially the forms submitted to this meeting and made a part hereof as though set forth herein, are hereby approved, and the Authorized Officers are each hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to cause such written certificate setting forth the Unenhanced Extended Rate Mode New Adjustment Period and New Adjusted Interest Rate Additional Provisions in substantially said forms, with such changes, insertions and omissions as such Authorized Officer may require or approve, to be incorporated into the Trust Agreement and the Lease Agreement on the date of the Current Change Date.

5. The Authorized Officers and officers and employees of the District are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

6. All actions heretofore taken by the officers, employees and agents of the District with respect to the transactions set forth above are hereby approved, confirmed and ratified.

7. This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** on August 11, 2022, by the following vote:

AYES:

NOS:

ABSENT:

ABSTAIN:

This is to certify that the foregoing document is a true copy of the Resolution of the Board of Education of the Poway Unified School District of San Diego County.

By: \_\_\_\_\_

Michelle O'Connor-Ratcliff  
Clerk of the Board of Education

**TO: POWAY UNIFIED SCHOOL DISTRICT  
PUBLIC FINANCING AUTHORITY**

**MEETING DATE:** August 11, 2022

**FROM:** Ron Little  
Staff Support: Rheia Alschbach

**AGENDA ITEM:** 3.2

**SUBJECT: APPROVAL OF RESOLUTION NO. 02-2023 ENTITLED  
"APPROVING THE FORM OF A CERTIFICATE  
PURCHASE AGREEMENT AND UNENHANCED  
EXTENDED RATE MODE NEW ADJUSTMENT PERIOD  
AND NEW ADJUSTED INTEREST RATE ADDITIONAL  
PROVISIONS; AUTHORIZING THE EXECUTION AND  
DELIVERY BY THE AUTHORITY OF THE CERTIFICATE  
PURCHASE AGREEMENT, AND AUTHORIZING THE  
EXECUTION OF NECESSARY DOCUMENTS AND  
CERTIFICATES AND RELATED ACTIONS"**

- Action
- Consent Calendar
- First Reading
- Information
- Presentation
- Public Hearing
- Roll Call Vote  
Required

**RECOMMENDATION:**

**Approve Resolution No. 02-2023, authorizing the sale of certificates with a new adjustment period and new adjusted interest rate to purchaser on change date for unenhanced extended rate mode.**

**DISCUSSION/PROGRAM:**

In September of 2012, the Poway Unified School District (the "District") caused to be executed and delivered the Poway Unified School District Certificates of Participation (2012 School Facilities Restructuring Program) (the "Certificates") in the aggregate principal amount of \$57,300,000 to refinance the outstanding indebtedness and fund remaining school construction projects of which \$54,460,000 is currently outstanding. In order to provide funds to finance and refinance such school facilities, the District leased certain real property and the improvements thereto (the "Property") to the Poway Unified School District Public Financing Authority (the "Authority") pursuant to a Ground Lease. The District has a long history of using various community facilities districts ("CFDs") and their improvement areas ("IAs") to finance schools facilities. While the first priority of the special tax revenues received by the IAs is to repay special tax bonds that are senior debt, the surplus special taxes are used to pay debt service on the Certificates.

The 2012 COPs were initially sold to U.S. Bank National Association ("U.S. Bank") with a 3-year locked Initial Rate Mode at a 2.90% interest rate expiring in 2015. In 2015, the District elected to change the mode to the Unenhanced Extended Rate Mode and the District and U.S. Bank negotiated an extension of the new mode through September 1, 2018, at a 1.95% interest rate. On September 1, 2018, U.S. Bank specified and consented to a new adjustment period through September 1, 2022, at a 2.96% interest rate. With the rate

Continued...

**LEGAL REFERENCE: Federal, State and Education Statutes regarding the issuance of tax exempt securities**

**FISCAL IMPACT:** N/A

**MOVED BY:** \_\_\_\_\_ **SECONDED BY:** \_\_\_\_\_

**VOTE:** CHAIRPERSON \_\_\_\_\_ VICE CHAIRPERSON \_\_\_\_\_ CLERK/SECRETARY \_\_\_\_\_ EXECUTIVE DIRECTOR \_\_\_\_\_ TREASURER \_\_\_\_\_

extension expiration date drawing near as well as a rising interest rate environment, Piper Sandler & Co. (the “Placement Agent”) solicited bids for a new adjustment period and adjusted interest rate for the Certificates. Fieldman Rolapp & Associates, Inc., the District’s municipal advisor, has determined it would be in the District’s best financial interests to maintain the Unenhanced Extended Rate Mode for the Certificates and to effect a new Adjustment Period and Adjusted Interest Rate for the Certificates through the sale of the Certificates to CN Financing, Inc. (the “Purchaser”) with a new Adjustment Period of 11 years (the “New Adjustment Period”) and an Adjusted Interest Rate of 4.24% (the “New Adjusted Interest Rate”). Additionally, consistent with the District’s Special Tax Reduction Plan, the District plans to utilize special tax funds on hand to pay down a portion of the outstanding Certificates on September 1, 2022. Information was provided to the District Board of Education at its June 16, 2022 meeting.

The Authority has assembled the necessary documents to complete sale of the Certificates to the Purchaser and effect the New Adjustment Period and Adjusted Interest Rate. A brief summary of each document can be found below:

- A. **Certificate Purchase Agreement:** The Certificate Purchase Agreement by the Purchaser and accepted and agreed to by the District and the Authority authorizes the Certificates to be sold to the Purchaser at the New Adjustment Period at the New Adjusted Interest Rate;
- B. **Unenhanced Extended Rate Mode Additional Provisions:** The form of the Unenhanced Extended Rate Mode Additional Provisions for the New Adjustment Period and the New Adjusted Interest Rate (the “Additional Provisions”). The Additional Provisions will be incorporated into the Trust Agreement and Lease Agreement upon the sale of the Certificates to the Purchaser on September 1, 2022.

By adopting Resolution No. 02-2023 the Board will be approving:

- the sale of the Certificates to CN Financing, Inc. pursuant to the Certificate Purchase Agreement;
- the form of the Additional Provisions; and
- the execution and delivery of necessary documents and certificates and related items.

**Poway Unified School District Public Financing Authority**

**RESOLUTION NO. 02-2023**

**APPROVING THE FORM OF CERTIFICATE PURCHASE AGREEMENT AND UNENHANCED EXTENDED RATE MODE NEW ADJUSTMENT PERIOD AND NEW ADJUSTED INTEREST RATE ADDITIONAL PROVISIONS; AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF THE CERTIFICATE PURCHASE AGREEMENT; AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**ON MOTION** of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, the following resolution is adopted:

**WHEREAS**, in order to provide financing and refinancing of certain schools and support facilities of the Poway Unified School District (the “District”), and land necessary for certain of such facilities, the District caused to be executed and delivered the Poway Unified School District Certificates of Participation (2012 School Facilities Restructuring Program) (the “Certificates”);

**WHEREAS**, in order to provide funds to finance and refinance such school facilities, the District leased certain real property and the improvements thereto (the “Property”) to the Poway Unified School District Public Financing Authority (the “Authority”) pursuant to a Ground Lease;

**WHEREAS**, the District subleased the Property back from the Authority pursuant to a Lease Agreement, dated as of September 1, 2012 (the “Original Lease Agreement”), as amended and supplemented by the First Amendment to Lease Agreement, dated as of September 1, 2018 (the “First Amendment to Lease Agreement” and, together with the Original Lease Agreement, the “Lease Agreement”);

**WHEREAS**, the Certificates were executed and delivered pursuant to the Trust Agreement, dated as of September 1, 2012 (the “Original Trust Agreement”) as amended and supplemented by the First Supplemental Trust Agreement, dated as of September 1, 2018 (the “First Supplemental Trust Agreement” and, together with the Original Trust Agreement, the “Trust Agreement”), by and among U.S. Bank Trust Company National Association, previously known as U.S. Bank National Association, as trustee (the “Trustee”), the Authority and the District, evidencing direct, fractional undivided interests in the base rental payments to be made by the District under the Lease Agreement (capitalized undefined terms used herein have the meanings ascribed thereto in the Trust Agreement);

**WHEREAS**, the Certificates were initially executed and delivered in the Initial Mode and continued in such Mode to and including the day before September 1, 2015, the Change Date for the Initial Mode;

**WHEREAS**, the Trust Agreement provided that, on the Change Date for the Initial Mode, the District shall effect a Change in Mode, as provided therein;

**WHEREAS**, the District, acting pursuant to the Trust Agreement and with the consent of U.S. Bank National Association (“U.S. Bank”) as the Owner of all of the Outstanding Certificates, effected a Change in Mode for the Certificates from the Initial Mode to the Unenhanced Extended Rate Mode and a new Adjustment Period for the Unenhanced Extended Rate Mode and an Adjusted Interest Rate that each became effective upon such Change in Mode;

**WHEREAS**, the Trust Agreement provided that on the Change Date for such new Adjustment Period, being September 1, 2018, the District shall effect a Change in Mode from the Unenhanced Extended Rate Mode to the Enhanced Mode or to the Fixed Rate Mode unless the Owners of the Certificates shall have consented to a new Adjustment Period for the Unenhanced Extended Rate Mode and a new Adjusted Interest Rate during such new Adjustment Period;

**WHEREAS**, U.S. Bank as the Owner of all of the Outstanding Certificates consented to a new Adjustment Period for the Unenhanced Extended Rate Mode and a new Adjusted Interest Rate during such new Adjustment Period from and including September 1, 2018 to but not including September 1, 2022 (the “Current Change Date”);

**WHEREAS**, the Trust Agreement provides that in order to cause a new Adjustment Period to be in effect on the Current Change Date and a new Adjusted Interest Rate to be evidenced by the Certificates in the Unenhanced Extended Rate Mode on the Current Change Date, the Owners of the Certificates shall have consented to such new Adjustment Period to be in effect on such Change Date and such new Adjusted Interest Rate to be evidenced by the Certificates during such Adjusted Period or a Purchaser is prepared to purchase all of the Certificates in the Unenhanced Extended Rate Mode, with such new Adjustment Period to be in effect on the Current Change Date and a new Adjusted Interest Rate to be evidenced by the Certificates during such Adjustment Period;

**WHEREAS**, CN Financing, Inc., a California Corporation (the “Purchaser”) has offered to purchase the Certificates at a lower new Adjustment Interest Rate than U.S. Bank and based upon the recommendation of Fieldman Rolapp & Associates, Inc., the District’s municipal advisor, and concurred in by District staff, this Board of Directors has determined that it would be in the District’s best financial interests to maintain the Unenhanced Extended Rate Mode for the Certificates and to effect a new Adjustment Period and Adjusted Interest Rate for the Certificates through a sale of the Certificates with a new Adjustment Period and a new Adjusted Interest Rate to the Purchaser;

**WHEREAS**, the Certificates will be sold to the Purchaser pursuant to a Certificate Purchase Agreement by the Purchaser and accepted and agreed to by the District and the Authority (such Certificate Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Contract”);

**WHEREAS**, the District and the Purchaser desire that certain Additional Conditions be incorporated into the Trust Agreement and the Lease Agreement (such Additional Provisions, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Unenhanced Extended Rate Mode New Adjustment Period and New Adjusted Interest Rate Additional Provisions”);

**WHEREAS**, Section 13.02 of the Trust Agreement provides that the District may cause Additional Provisions to be incorporated into the Trust Agreement on the Change Date for the Unenhanced Extended Rate Mode upon a purchase by a Purchaser of the Certificates pursuant to Section 3.09 of the Trust Agreement by delivering to the Trustee, on or before the date of such Change Date, a Written Certificate of the District directing that such Additional Provisions, a copy of which shall be attached to such Written Certificate, be incorporated into the Trust Agreement on and as of the date of such Change Date, and that said Additional Provisions shall remain in effect until (A) a Change in Mode is effected from the Unenhanced Extended Rate Mode to another Mode or (B) other Additional Provisions are incorporated into the Trust Agreement pursuant to the Trust Agreement and, upon such Change in Mode or incorporation, said Additional Provisions shall be of no further force or effect;

**WHEREAS**, Section 10.02 of the Lease Agreement provides that the District may cause Additional Provisions to be incorporated into the Lease Agreement on the Change Date for the Unenhanced Extended Rate Mode upon a purchase by a Purchaser of the Certificates pursuant to Section 3.09 of the Trust Agreement by delivering to the Trustee, on or before the date of such Change Date, a Written Certificate of the District directing that such Additional Provisions, a copy of which shall be attached to such Written Certificate, be incorporated into the Lease Agreement on and as of the date of such Change Date, and that said Additional Provisions shall remain in effect until (A) a Change in Mode is effected from the Unenhanced Extended Rate Mode to another Mode or (B) other Additional Provisions are incorporated into the Lease Agreement pursuant to the Lease Agreement and, upon such Change in Mode or incorporation, said Additional Provisions shall be of no further force or effect;

**WHEREAS**, there have been prepared and submitted to this meeting forms of:

- A. the Purchase Contract; and
- B. the Unenhanced Extended Rate Mode New Adjustment Period and New Adjusted Interest Rate Additional Provisions; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Poway Unified School District Public Financing Authority, as follows:

1. All of the recitals herein contained are true and correct and the Board of Directors of the Authority so finds.
2. The form of the Purchase Contract, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Chairperson of the Board, the Vice Chairperson of the Board, the Executive Director of the Authority, the Auditor and Treasurer of the Authority, and the Secretary of the Authority, and such other officers of the Authority as the Chairperson

of the Board may designate (the “Authorized Officers”), are each hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Authority, to execute and deliver the Purchase Contract in substantially said form, with such changes, insertions, and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

3. The form of the certificate setting forth the Unenhanced Extended Rate Mode New Adjustment Period and New Adjusted Interest Rate Additional Provisions, in substantially the forms submitted to this meeting and made a part hereof as though set forth herein, are hereby approved.

4. The Authorized Officers and officers and employees of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

5. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

6. This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** on August 11, 2022, by the following vote:

AYES:

NOS:

ABSENT:

ABSTAIN:

This is to certify that the foregoing document is a true copy of the Resolution of the Board of Directors of the Poway Unified School District Public Financing Authority.

By: \_\_\_\_\_  
Michelle O’Connor-Ratcliff  
Secretary of the Board of Directors