CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
BOND FINANCING PROGRAM
EXECUTIVE SUMMARY

Applicant:	Saint Mary's College of California (SMC) 1928 Saint Mary's Road Moraga, CA 94556 Contra Costa County	**Amount Requested:** **Date Requested:** **Resolution Number:**	$110,000,000 September 28, 2023 329
Facility Type:	Private University		
Project Location:	Contra Costa County		
Accreditation:	Western Association of Schools and Colleges (WASC)		
Prior Borrower:	Yes (last CEFA issuance July 2007)		

Background: SMC was founded in San Francisco in 1863 and its stewardship was assumed by the Christian Brothers in 1868. After its incorporation in 1872, SMC was given a charter empowering it to confer degrees and to exercise all other privileges of a university. The campus was relocated to Oakland in 1889 and then moved to its present site in Moraga in 1928 where it continues to offer a comprehensive array of liberal arts and professional undergraduate and graduate programs.

Use of Proceeds: Bond proceeds will be used to finance working capital needs and the acquisition, construction, expansion, rehabilitation, renovation, remodeling, furnishing, and equipping of certain educational facilities located on SMC's campus. Bond proceeds also will be used to refund the CEFA Series 2007 bonds and pay certain costs of issuance.

Type of Issue:	Negotiated public offering, tax-exempt fixed rate bonds
Expected Credit Rating:	BBB- (S&P)
Financing Team:	Please see Exhibit 1 to identify possible conflicts of interest

Financial Overview: SMC's operating margins were negative over the review period but total operating revenues appear to have stabilized after experiencing a drop due in part to the COVID-19 pandemic. SMC's balance sheet appears to have an adequate financial position with a pro-forma fiscal year 2022 debt service coverage ratio of 0.5x to take on the additional debt.

Estimated Sources of Funds:			**Estimated Uses of Funds**		
Bond Proceeds	$	110,000,000	Working Capital and Project Fund	$	59,000,000
			Refunding		50,000,000
			Financing Costs		1,000,000
Total Estimated Sources	$	110,000,000	Total Estimated Uses	$	110,000,000

Due Diligence: Staff has confirmed the following documentation satisfies the California Educational Facilities Authority's (Authority) requirements: Eligibility, Legal Review, the California Environmental Quality Act, and the certification for the Iran Contracting Act.

Staff Recommendation: Staff recommends the Authority approve Resolution No. 329 in an amount not to exceed $110,000,000 for Saint Mary's College of California, subject to a bond rating of at least investment grade by a nationally recognized rating agency. TAP International, Inc., the Authority's financial analyst, and KNN Public Finance, LLC, the Authority's municipal advisor, concur with the Authority's staff recommendations.

(TB)

STAFF SUMMARY, ANALYSIS, AND RECOMMENDATION

I. PURPOSE OF FINANCING

SMC is requesting the Authority to issue tax-exempt bonds in an amount not to exceed $110 million to finance working capital, various campus upgrades, and to refund the CEFA Series 2007 bonds.

SMC has experienced declining enrollment for the past several years, which SMC management attributes to unsuccessful traditional enrollment strategies, economic disparities, and the COVID-19 pandemic. To address these issues, SMC developed "Transformation 2028", a strategic plan focused on opportunities to meet the needs of students and to further develop SMC into an in-demand institution.

Like many higher education institutions, SMC's revenues are highly reliant on tuition and fees. As part of Transformation 2028, SMC has implemented strategies to increase enrollment, which have already seen positive results in fall 2023 as compared to fall 2022. Additionally, SMC is retooling and developing more in-demand academic programs, such as computer science, health sciences, and nursing. SMC is currently developing a new Bachelor of Science in Nursing program, which is expected to launch in fall 2024.

SMC anticipates success of their efforts to reflect in their financials over the next several fiscal years. To shore up possible operating deficits and alleviate financial stress, SMC is requesting to issue bonds for the purpose of working capital and to refund the CEFA Series 2007 bonds.

Working Capital and Project Fund 59,000,000

A portion of bond proceeds will be used to fund working capital to meet SMC's financial needs if they experience operating deficits. SMC anticipates increased enrollment with their Transformation 2028 plan of recruitment, admissions, and enrollment strategies. SMC expects their new Bachelor of Science in Nursing program first cohort in fall 2024 and a graduate nursing program first cohort in fall 2026.

As part of working capital, SMC intends to finance a swap termination payment in connection with a swap agreement related to the CEFA 2007 bonds. The CEFA Series 2007 bonds were issued as variable rate debt, and SMC entered into a swap agreement to mitigate the risk of fluctuations with the variable interest rate, effectively creating the equivalent of fixed rate debt. With the refunding of the CEFA Series 2007 bonds, approximately $6-7 million will be used to terminate the swap agreement.

Any remaining working capital bond proceeds may also be used for various campus upgrades, including the renovation, improvement, upgrade, remodel, refurbishment and/or equipping of certain residence halls, academic buildings, administrative buildings and/or campus buildings, including but not limited to Justin Hall, Marjorie Ageno, Ageno East and West, Dante Hall, Galileo Hall, Sichel Hall, Museum of Art, St. Joseph Hall, the Power Plant, De La Salle, Filippi Academic Hall, and various student union, lounges and activity centers.

Refunding	**$50,000,000**

SMC intends to refund the remaining outstanding balance of the CEFA Series 2007 bonds, which were used to finance and refinance certain projects, including, among other things, a general classroom building (Garaventa Hall); a parking lot (Upper De La Salle Parking Lots); the conversion of administrative space to academic space; four residence halls; two administrative buildings; the construction of new buildings and the renovation, refurbishment, and equipping of existing facilities; and various other facilities, including a science building, residence halls, performing arts facilities, kitchen and dining facilities, administrative and other support facilities, and utility and infrastructure improvements. The refunding is not expected to provide any savings; however, expected to provide SMC with more favorable financial covenants than the current bank terms.

Financing Costs		**1,000,000**
Cost of Issuance..	$ 455,000	
Underwriter's Discount................................	545,000	
TOTAL ESTIMATED USES OF FUNDS		***$110,000,000***

II. PROPOSED COVENANTS, SECURITY AND DISCLOSURES

The Executive Summary and recommendations include minimum requirements. Additional or more stringent covenants or disclosures may be added following consultation with Authority staff but without further notification to the Authority's board. These covenants cannot be diluted or removed without subsequent review. If there have been modifications to the covenant proposal following the preparation of this Executive Summary, staff will report them at an Authority board meeting.

After reviewing SMC's credit and financial profiles, current bond documents, prior bond transactions, and their offering documents, and considering what the market will support, KNN Public Finance, LLC, (KNN) the Authority's municipal advisor; SMC's financial advisor; and the underwriter of the proposed bonds have concluded that the covenants listed below should be applicable to this transaction and note that the current financial situation of SMC does not suggest that additional covenants should be required by the Authority.

- ✓ **Unconditional Promise to Pay.** *Borrower agrees to pay to the Trustee all amounts required for principal and interest and other payments and expenses designated in the Loan Agreement. All Revenues*[1] *and any other amounts held in a designated fund or account under the Indenture are pledged to secure the full payment of the bonds.*

- ✓ **Disposition of Property Limitations.** *Borrower agrees not to sell, lease, or dispose of substantially all assets unless authorized by the Loan Agreement.*

- ✓ **Comply with SEC Rule 15c2-12.** *The rule prohibits underwriters from underwriting municipal bond deals unless the issuer or borrower contractually agrees to disclose designated financial and operating information to the marketplace during the life of the bonds and to report designated "material events," such as missed debt service payments, any change in bond ratings, defeasance, redemptions, etc.*

- ✓ **Liquidity Covenant.** *The Borrower shall at all times maintain a Cash and Investments to Debt Ratio as set forth in the Loan Agreement, measured on an annual basis at the end of each Fiscal Year of the Borrower.*

- ✓ **Additional Debt Test.** *The Borrower agrees that it will not incur any Additional Long-Term Indebtedness (other than for refunding purposes) unless it certifies that it meets a minimum Cash and Investments to Debt Ratio as set forth in the Loan Agreement taking into account all outstanding Long-Term Indebtedness and the Long-Term Indebtedness proposed to be incurred, for the most recent Fiscal Year for which audited financial statements are available.*

- ✓ **Negative Pledge.** *The Borrower agrees that it will not create, assume or suffer to exist any lien, mortgage, pledge, charge, security interest or encumbrance upon the Pledged Collateral other than Permitted Liens.*

Staff has completed its due diligence, and KNN has reviewed the bond documents associated with this financing package and found these documents and proposed covenants to be acceptable.

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[1] Capitalized terms are defined in the Indenture.

III. FINANCIAL STATEMENTS AND ANALYSIS

Saint Mary's College of California
Statement of Activities
(Dollars in Thousands)

	Fiscal Year Ended June 30, 2022	2021	2020
Operating			
Revenues and gains			
Tuition and fees	$ 69,970	$ 81,519	$ 88,474
Sales and services of auxiliary enterprises	19,779	8,723	17,555
Grant and contract revenue	7,726	6,209	4,662
Contributions	2,310	2,052	1,827
Endowment income and realized gains distributed	10,055	9,445	8,859
Accumulated endowment earnings appropriated for operations	-	4,000	-
Investment income	-	-	146
Other	3,768	1,932	4,229
Total operating revenues and gains	113,608	113,880	125,752
Net Assets Released From Restrictions	4,713	3,288	2,731
Total operating revenue, gains and other support	118,321	117,168	128,483
Expenses			
Instruction	39,822	41,291	46,269
Academic support	11,036	9,440	10,474
Student services	26,275	20,571	23,523
Institutional support	22,508	23,842	23,215
Operations and plant maintenance	7,776	6,100	7,208
Interest expense	2,241	2,488	2,667
Auxiliary services	9,805	7,597	9,608
Total operating expenses excluding depreciation	119,463	111,329	122,964
Increase (decrease) in unrestricted net assets from operations before depreciation expense	(1,142)	5,839	5,519
Depreciation Expense	6,715	6,897	7,647
Change in net assets from operations	(7,857)	(1,058)	(2,128)
Nonoperating			
Contributions	101	10	352
Net loss on endowment net of distributions	(9,719)	(98)	(6,266)
Net gain (loss) and income on other investments	2	(2)	1
Other non operating expense - Voluntary Separation Incentive Program	(4,123)	-	(1,700)
Unrealized gain (loss) on interest rate swaps	7,645	4,418	(5,486)
Net assets released from restrictions	9,334	8,213	9,365
Increase (Decrease) from nonoperating activities	3,240	12,541	(3,734)
Change in net assets	(4,617)	11,483	(5,862)
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	103,576	92,093	97,955
UNRESTRICTED NET ASSETS, END OF YEAR	$ 98,959	$ 103,576	$ 92,093

Saint Mary's College of California
Statement of Financial Position
(Dollars in Thousands)

	As of June 30, 2022	2021	2020
ASSETS			
Current assets:			
Cash and cash equivalents	$ 10,364	$ 5,423	$ 4,836
Investments	3,568	11,028	9,521
Student receivables, net	1,731	2,223	1,271
Contributions receivable, net	11,854	2,705	1,636
Accounts receivable, other	2,179	1,797	1,093
Prepaid expenses and other	2,062	1,906	1,707
Total current assets	31,758	25,082	20,064
Noncurrent Assets			
Investments	197,976	229,695	191,287
Contributions receivable, net	2,861	4,726	5,372
Notes receivable, net	495	792	1,068
Other assets	410	410	392
Operating lease - right of use assets	185	246	-
Property, plant and equipment, net of accumulated depreciation	131,901	127,815	128,236
Total noncurrent assets	333,828	363,684	326,355
Total assets	$ 365,586	$ 388,766	$ 346,419
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued liabilities	$ 12,627	$ 14,326	$ 9,992
Interest rate swap liability	8,480	16,125	20,543
Current portion of long-term debt	1,600	1,525	1,475
Current portion of leases	592	566	-
Deferred revenue	4,992	5,297	8,127
Total current liabilities	28,291	37,839	40,137
Noncurrent Liabilities			
Liabilities under trust agreements	1,855	1,999	1,992
Long-term debt, excluding current portion, net	50,104	51,705	53,161
Long-term leases, excluding current portion, net	1,231	1,796	-
Post retirement benefits payable	779	883	1,241
Asset retirement obligations	2,586	2,586	2,586
Federal government grants refundable	622	871	1,253
Total noncurrent liabilities	57,177	59,840	60,233
Total liabilities	85,468	97,679	100,370
Net assets:			
Without donor restrictions	98,959	103,576	92,093
With donor restrictions			
Time or purpose	31,306	20,317	16,489
Endowment returns subject to future appropriation	34,245	54,524	28,469
Perpetual	115,608	112,670	108,998
TOTAL NET ASSETS	280,118	291,087	246,049
TOTAL LIABILITIES AND NET ASSETS	$ 365,586	$ 388,766	$ 346,419

Financial Ratios:

	Proforma (a) FYE June 30, 2022	2022	2021	2020
Debt service coverage - Operating (x)	0.1	0.3	1.9	2.0
Debt service coverage - Net (x)	0.5	1.0	4.6	1.1
Debt to expendable net assets (x)	1.1	0.7	0.9	0.8
Expendable net assets to operations (x)		1.0	1.0	0.8
Margin (%)		(6.6)	(0.9)	(1.7)

(a) Recalculates 2022 results to include the impact of this proposed financing.

Financial Discussion

SMC's operating margins were negative over the review period, but total operating revenues appear to have stabilized after experiencing a drop due in part to the COVID-19 pandemic.

SMC's operating margins were negative over the review period, which can be largely attributed to declining revenues due to enrollment declines during the COVID-19 pandemic. SMC experienced a drop in tuition and fees, its primary source of revenue, from approximately $88.5 million in FY 2020 to approximately $70 million in FY 2022. The decrease in tuition and fees led to the decline of net operating revenue, which decreased from $128.5 million in fiscal year (FY) 2020 to $117.2 million in FY 2021. Sales and services of auxiliary enterprises decreased significantly from approximately $17.6 million in FY 2020 to $8.7 million in FY 2021, before rebounding to nearly $19.8 million in FY 2022. According to SMC management, the fluctuation is due to COVID-19 related impact of in-person living arrangements/student housing.

SMC management anticipates improving tuition revenues going forward with the implementation of their strategic plan, Transformation 2028, in part by revamping recruitment, admissions, and enrollment efforts. Additionally, to further mitigate the loss of revenues, SMC plans to implement in-demand academic programs, such as the addition of a nursing program.

Total operating expenses decreased by 2.9% from approximately $123 million in FY 2020 to approximately $119.5 million in FY 2022. The decrease in total operating expenses was primarily driven by the drop in instruction expenses from nearly $46.3 million in FY 2020 to approximately $39.8 million in FY 2022. SMC's management explains the decrease in instruction expenses was due to cost reductions in response to declining enrollment.

SMC received nearly $14 million in emergency funding from the Coronavirus Aid, Relief, and Economic Securities (CARES) Act. Approximately $5.9 million of the CARES Act funds were earmarked to directly fund students in the form of emergency financial aid, and about $8.1 million was to offset costs associated with significant changes to the delivery of instruction due to COVID-19. SMC's management continues to monitor the impact of COVID-19 on SMC's operations, including the impact on students and employees. The duration and intensity of the pandemic remains uncertain but may influence student enrollment and housing decisions, donor decisions, investment performance, and may also negatively impact collections of SMC's receivables.

SMC's balance sheet appears to have an adequate financial position with a net pro-forma FY 2022 debt service coverage ratio of 0.5x to take on the additional debt.

Throughout the review period, SMC's net debt service coverage ratio remained positive while fluctuating from 1.1x in FY 2020 to 4.6x in FY 2021, and then down to 1.0x in FY 2022. The fluctuation can be attributed to an increase in nonoperating activities in FY 2021. With the proposed bond financing, SMC's pro-forma FY 2022 net debt service coverage ratio declines to an adequate 0.5x.

SMC maintained a suitable debt to expendable net assets ratio of 0.8x, 0.9x, and 0.7x in FY 2020, FY 2021, and FY 2022, respectively, as its long-term debt consisted of only the CEFA Series 2007 bonds throughout the review period. With the issuance of the new bonds, SMC's pro-forma FY 2022 debt to expendable net assets ratio is acceptable at 1.1x. The bond issuance will refund the Series 2007 bonds and terminate the interest rate swap agreement in connection with the CEFA Series 2007 bonds, which will provide better loan terms for SMC. The proceeds will also be used for working capital purposes, which will help SMC shore up any operating deficiencies in the upcoming years while results from the implementation of their strategic plan Transformation 2028 develop.

IV. BACKGROUND

General:

Founded in San Francisco in 1863, SMC is an independent Liberal Arts, Catholic and Lasallian institution of higher education that its operated by the Brothers of the Christian Schools. After its incorporation in 1872, SMC was given a charter empowering it to confer degrees and to exercise all other privileges of a university. The campus was relocated to Oakland in 1889 and then moved to its present site in Moraga in 1928 where it continues to offer a comprehensive array of liberal arts and professional undergraduate and graduate programs. SMC grants baccalaureate and master's degrees in liberal arts, science, business administration and education, including a doctorate in education.

Administration:

The Board is a self-perpetuating body whose minimum number shall be 18 and whose maximum number shall be 32, of which not less than 6 nor more than 10 shall be professed religious of the Brothers of the Christian Schools. Members by right of office are the Brother Visitor and the President of the College. The Board ordinarily meets annually three times on campus and once for an off-site retreat.

Accreditations and Affiliations:

SMC is accredited by the Western Association of Schools and Colleges. It also has professional accreditation from the following organizations: Commission on Teacher Credentialing, California State Board of Registered Nursing, National League for Nursing, American Bar Association, Montessori Accreditation Council for Teacher Education, American Association of Museums, and National Collegiate Athletic Association.

In addition to the accreditation organizations listed above, SMC is affiliated with the following organizations: American Association of Colleges for Teacher Education, American Association of Colleges of Nursing, American Montessori Society, Association of American Colleges and Universities, Association of Catholic Universities and Colleges, Association of Independent California Colleges and Universities, California Association of Colleges for Teacher Education, Council for Advancement and Support of Education, Council for Higher Education Accreditation, Council of Independent Colleges, Executive MBA Council, Institute of International Education, Internal Association of Lasallian Institutions of Higher Education, and National Association of Independent Colleges and Universities.

Academic Programs:

The College is organized into four schools, which include the Kalmanovitz School of Education, School of Economics and Business Administration, School of Liberal Arts, and School of Science, each of which provides programs for students at the undergraduate and graduate levels. Each of the four schools of the College are under the direction of a dean.

V. OUTSTANDING DEBT ($000's)

Issue:	Original Issue Amount	Amount Outstanding as of 6/30/22	Amount Outstanding After Proposed Financing
Existing Debt:			
CEFA, Series 2007	$ 71,100	$ 51,705	$ -
Proposed:			
CEFA, Series 2023			110,000
Total		$ 51,705	$ 110,000

VI. DUE DILIGENCE

Due diligence has been completed with regard to the following items:

- Eligibility
- Legal Review
- Iran Contracting Act Certificate
- Education Code section 94212(b), which requires a project to provide documentation of compliance with the– California Environmental Quality Act

VII. STAFF RECOMMENDATION

Staff recommends the Authority approve Resolution No. 329 in an amount not to exceed $110,000,000 for the Saint Mary's College of California, subject to a bond rating of at least investment grade by a nationally recognized rating agency. TAP International, Inc., the Authority's financial analyst, and KNN Public Finance, LLC, the Authority's municipal advisor, concur with the Authority's staff recommendations.

EXHIBIT 1

Financing Team
Saint Mary's College of California

Borrower:	Saint Mary's College of California
Agent for Sale:	California State Treasurer
Issuer's Counsel:	Office of the Attorney General
Issuer's Municipal Advisor:	KNN Public Finance, LLC
Issuer's Financial Analyst:	TAP International, Inc.
Bond Counsel:	Orrick Herrington & Sutcliffe LLP
Borrower's Financial Advisor:	The Yuba Group, LLC
Senior Managing Underwriter:	Wells Fargo Securities
Co-Senior Managing Underwriter:	Goldman Sachs & Co. LLC
Underwriters' Counsel:	Hawkins Delafield & Wood LLP
Borrower's Counsel:	Latham & Watkins LLP
Borrower's General Counsel:	Delfino Madden O'Malley Coyle & Koewler, LLP
Trustee & Collateral Agent:	U.S. Bank, N.A.
Rating Agency:	Standard & Poor's Financial Services, LLC
Auditor:	Baker Tilly US, LLP
Swap Advisor:	PFM Financial Advisors LLC

RESOLUTION NO. 329

RESOLUTION OF THE CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS TO FINANCE AND REFINANCE PROJECTS AT THE EDUCATIONAL FACILITIES OF SAINT MARY'S COLLEGE OF CALIFORNIA

September 28, 2023

WHEREAS, the California Educational Facilities Authority (the "Authority"), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Educational Facilities Authority Act (the "Act") to issue revenue bonds and to loan the proceeds thereof to a participating private college or a participating nonprofit entity (both as defined in the Act) for the acquisition or construction of projects (as defined in the Act), to refund existing bonds, mortgages, or advances or other obligations incurred, given, or made by a participating private college for the acquisition or construction of any projects, to loan the proceeds thereof to a participating private college for the purpose of refinancing projects not originally funded pursuant to the Act (including repayment of costs, as defined in the Act), and to refund existing bonds or notes of the Authority;

WHEREAS, Saint Mary's College of California (the "Borrower") is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California;

WHEREAS, the Authority has previously issued its Revenue Bonds (Saint Mary's College of California), Series 2007 (the "Series 2007 Bonds"), in the aggregate principal amount of $71,100,000, of which $51,675,000 currently is outstanding, and made a loan of the proceeds thereof to the Borrower to finance and refinance the acquisition, construction, expansion, rehabilitation, renovation, remodeling, furnishing and equipping of certain educational facilities as more particularly described under the caption "2007 Project" in Exhibit A hereto (the "2007 Project"); and

WHEREAS, the Borrower has requested that the Authority issue one or more series of its revenue bonds in an aggregate principal amount not to exceed $110,000,000 and apply the proceeds thereof to make one or more loans of the proceeds of the Bonds (as defined below) to the Borrower to (i) refinance the costs of the 2007 Project by refunding the Series 2007 Bonds, (ii) finance the acquisition, construction, expansion, rehabilitation, renovation, remodeling, furnishing and equipping of certain educational facilities as more particularly described under the caption "New Money Project" in Exhibit A hereto, (iii) fund working capital, including financing a swap termination payment associated with the Series 2007 Bonds, and (iv) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the "Project");

WHEREAS, to the extent required by subdivision (b) of Section 94212 of the Education Code, the Borrower has provided documentation to the Authority demonstrating, to the extent applicable, that the 2007 Project and the Project comply with Division 13 (commencing with Section 21000) of the Public Resources Code or is not a "project" under such division; and

WHEREAS, approval of the terms of issuance and sale of such revenue bonds and various related matters is now sought.

NOW, THEREFORE, BE IT RESOLVED by the California Educational Facilities Authority as follows:

Section 1. Pursuant to the Act, revenue bonds of the Authority designated as the "California Educational Facilities Authority Revenue Bonds (Saint Mary's College of California), Series 2023" (the "Bonds"), in a total aggregate principal amount not to exceed $110,000,000, are hereby authorized to be issued from time to time, in one or more series, with such other name or names of the Bonds or series thereof as designated in the Indenture, hereinafter mentioned below, pursuant to which the Bonds will be issued. The proceeds of the Bonds shall be used for any or all of the purposes set forth in the fourth recital above.

Section 2. The Treasurer of the State of California (the "Treasurer") is hereby authorized to enter into agreements to sell the Bonds in one or more series, on one or more sale dates at any time within one year of the date of adoption of this Resolution, at public or private sale, in such aggregate principal amount (not to exceed the aggregate principal amount set forth in Section 1) and in such series, at such prices, at such interest rate or rates, with such maturity date or dates and upon such other terms and conditions as the Treasurer, with the advice and consent of the Borrower, may determine. The Bonds, at issuance, shall be rated at investment grade by an active nationally recognized rating agency. The obligations of the Borrower to repay the loan of the proceeds of the Bonds or any series of them may, at the sole option of the Borrower, be secured or supported by one or more of the following: gross revenue pledge, deed of trust, bond reserve fund, bond insurance, other credit and/or liquidity facility and/or another security arrangement.

Section 3. The following documents:

(a) the Loan Agreement relating to the Bonds (the "Loan Agreement"), between the Authority and the Borrower;

(b) the Indenture relating to the Bonds (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee");

(c) the Bond Purchase Agreement, including the appendices thereto, relating to the Bonds (the "Bond Purchase Agreement"), among Wells Fargo Bank, National Association, for itself and as representative of Goldman Sachs & Co. LLC (collectively, the "Underwriters"), the Treasurer and the Authority and approved by the Borrower; and

(d) the preliminary official statement relating to the Bonds (the "Preliminary Official Statement").

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect provisions relating to a gross revenue pledge, deed of trust, a bond reserve fund, bond insurance, any other credit and/or liquidity facility and/or another security arrangement, at the sole option of the Borrower, for any series of Bonds) as the officer(s) executing the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture, and the Bond Purchase Agreement and by delivery thereof in the case of the Preliminary Official Statement. The Executive Director shall seek the advice of bond counsel and counsel to the Authority with respect to any such insertions, deletions or changes therein.

Section 4. The dated dates, maturity dates (not exceeding 50 years from the respective date of issue), interest rates, manner of determining interest rates, interest payment dates, denominations, forms, registration privileges or requirements, place or places of payment, terms of purchase or tender, terms of redemption, provisions governing transfer and other terms of the Bonds, including provisions for credit and/or liquidity facilities, if any, from time to time, shall be as provided in the Indenture, as finally executed.

Section 5. The Underwriters are hereby authorized to distribute the Preliminary Official Statement for each issue of the Bonds to persons who may be interested in the purchase of such Bonds offered in such issuance, it being understood that, at the discretion of the Underwriters (in consultation with the Borrower), a preliminary official statement may not be used with respect to any series of Bonds. The Underwriters are hereby directed to deliver a final official statement for each issue of the Bonds (the "Official Statement") to all actual purchasers of such Bonds.

Section 6. The Bonds, when executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or upon direction of the Underwriters in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Said instructions shall provide for the delivery of the Bonds to or upon direction of the Underwriters, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

Section 7. Each officer of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things which they may deem necessary or advisable in order to consummate the issuance, sale, and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the Indenture, Loan Agreement, Bond Purchase Agreement and Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) a tax certificate and agreement and other certifications; and (b) any agreement or commitment letter with respect to the provision of bond insurance, a letter of credit, a surety bond, a credit facility and/or a liquidity facility for the Bonds.

Section 8. The provisions of the Authority's Resolution No. 2022-03 apply to the documents and actions approved in this Resolution.

Section 9. The Authority hereby approves and ratifies each and every action taken by its officers, agents and employees prior to the date hereof in furtherance of the purposes of this Resolution.

Section 10. The Authority hereby approves the execution and delivery of the Indenture, Loan Agreement, Bond Purchase Agreement, and Official Statement and other agreements, documents, certificates and instruments referred to herein or related thereto, with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 11. This Resolution shall take effect from and after the date of adoption.

Date of Adoption: ________________________________

EXHIBIT A

The proceeds of the Bonds will be loaned to the Borrower for the purpose of, among other things, financing and refinancing the Project, which consists of:

2007 Project:

(1) refunding the costs relating to the prior project relating to the Series 2007 Bonds, which were used, among other things, to finance and refinance the following educational facilities, which are owned by the Borrower and located in the County of Contra Costa on the Borrower's campus at 1928 St. Mary's Road, Moraga, California (the "Saint Mary's Campus"):

(a) General classroom building (Garaventa Hall);

(b) Parking lot (Upper De La Salle Parking Lots);

(c) Conversion of administrative space to academic space (North Arcade);

(d) Four residence halls (Marjorie David Ageno Hall, Michael E. Ageno Hall, Ferdinand & Camille Ageno Hall and Claeys South Hall);

(e) Storm water detention basin (located in the Canyon);

(f) Two administrative buildings (Filippi Hall and Brother Jerome West Hall);

(g) Various utilities including but not limited to utilities for electrical, domestic water, sewer, fire protection and communication systems;

(h) Various other facilities, including but not limited to a science building, residence halls, performing arts facilities, kitchen and dining facilities, administrative and other support facilities, and utility and infrastructure improvements; and

(i) The construction of new buildings and the renovation, refurbishment, and equipping for the benefit of the following facilities: Guerrieri West Hall, Guerrieri East Hall, Freitas Hall, Thille Hall, Sabattte Hall, Syufy Hall, Augustine Hall, De La Salle Hall, Aquinas Hall, Mitty Hall, Justin Hall, More Hall, Becket Hall, Claeys Hall North, Claeys Hall South, Michael E. Ageno Hall, Marjorie David Ageno Hall, Ferdinand & Camille Ageno Hall, Edward S. Ageno Hall West, Edward S. Ageno Hall East, Siena Hall, Assumption Hall, Oliver Hall, Dryden Hall and Cassin Student Union;

New Money Project:

(2) financing the following educational facilities, which are owned by the Borrower and located on the Saint Mary's Campus:

(a) Renovation, improvement, upgrading, remodeling, refurbishing and/or equipping of certain residence halls, academic buildings, administrative buildings and/or campus buildings, including but not limited to Justin Hall, Marjorie Ageno, Ageno East and West, Dante Hall, Galileo Hall, Sichel Hall, Museum of Art, St. Joseph Hall, the Power Plant, De La Salle, Filippi Academic Hall, and various student union, lounges and activity centers;

Working Capital and Swap Termination Payment:

(3) funding working capital, including financing a swap termination payment associated with the Series 2007 Bonds; and

Costs of Issuance:

(4) paying certain expenses incurred in connection with the issuance of the Bonds.