

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
BOND FINANCING PROGRAM**

EXECUTIVE SUMMARY

<p>Applicant: University of Redlands ("Redlands") 1200 E. Colton Avenue Redlands, CA 92373 San Bernardino County</p> <p>Facility Type: Private University</p> <p>Project Location: Redlands, CA</p> <p>Accreditations: Western Association of Schools and Colleges</p>	<p>Amount Requested: \$40,000,000</p> <p>Date Requested: December 4, 2014</p> <p>Resolution Number: 299</p>
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Use of Proceeds: Bond proceeds will be used to refund all or a portion of the CEFA 2003 Series A and CEFA 2003 Series B bonds, and advance refund a portion of its CEFA 2005 Series A bonds. The refunding of these bonds is expected to provide Redlands with a net present value savings of approximately \$2.88 million or 8.2%, under current market conditions. Pending improved market conditions, Redlands may use bond proceeds to advance refund a portion of its CEFA 2008 Series A bonds.

<p>Type of Issue: Negotiated public offering, fixed rate, \$5,000 minimum denominations</p> <p>Credit Enhancement: None</p> <p>Expected Credit Rating: A3 (Moody's)</p> <p>Financing Team: <i>Please see Exhibit 1 to identify possible conflicts of interest</i></p>

Environmental Benefits: Since Redlands is refunding its existing debt, environmental benefits are not applicable to this financing.

Financial Overview: Redlands has experienced continued growth in revenues over the review period, which Redlands attributes primarily to improved student enrollment and retention. Redlands balance sheet reports positive improvements posting a 1.1% positive net operating margin in FY 2014 and strong financial strength of \$216.2 million in net assets.

<u>Sources of Funds:</u>		<u>Uses of Funds</u>	
Par Amount of Bond	\$ 40,000,000	Refunding	\$ 44,237,733
Premium	4,334,601	Financing Costs	548,042
Prior Debt Service Fund	451,174		
 Total Sources	 \$ 44,785,775	 Total Uses	 \$ 44,785,775

The above Sources & Uses assumes Redlands chooses to advance refund a portion of the 2008 Series A bonds.

Legal Review: No information was disclosed to question the financial viability or legal integrity of the Applicant.

Staff Recommendation: Staff recommends the Authority approve Resolution No. 299 in an amount not to exceed \$40,000,000 for the University of Redlands subject to a bond rating of at least investment grade by a nationally recognized rating agency. Macias Gini & O'Connell LLP, the Authority's financial analyst, and Fieldman, Rolapp & Associates, Inc., the Authority's financial advisor, concur with the Authority's staff recommendations.

STAFF SUMMARY AND RECOMMENDATION

University of Redlands (“the University”)

December 4, 2014

Resolution No. 299

I. PURPOSE OF FINANCING: Redlands is taking advantage of current low rates in the bond market to help restructure and lower the cost of its debt. Bond proceeds will be used to refund all of its CEFA 2003 Series A and CEFA 2003 Series B bonds and advance refund a portion of its CEFA 2005 Series A bonds, providing an estimated net present value savings of approximately \$2.88 million or 8.2%, under current market conditions. In addition, Redlands reserves the option of advance refunding a portion of its CEFA 2008 Series A bonds should the market prove to be favorable.

Refunding \$44,237,733

Redlands intends to refund its CEFA 2003 Series A and CEFA 2003 Series B bonds, of which \$13,130,000 and \$10,140,000 is currently outstanding.

The 2003 Series A bonds were originally issued in the amount of \$17,280,000 and the 2003 Series B bonds were issued in the amount of \$17,000,000. Bond proceeds were used to construct new student housing, build a co-generation facility, construct a parking structure, improve infrastructure, advance refund a portion of the CEFA Series 1995 bonds, and to pay certain costs of issuance.

Redlands intends to advance refund a portion of the outstanding balance of the CEFA 2005 Series A bonds, of which \$22,730,000 is currently outstanding.

The CEFA 2005 Series A bonds were originally issued in the amount of \$27,180,000. Bond proceeds were used to construct and renovate various campus facilities and purchase telephone equipment, advance refund its CEFA 2000 Series A bonds, current refund a portion of its CEFA Series 1995 bonds, and to pay certain costs of issuance.

Additionally, if market conditions improve, Redlands intends to advance refund a portion of the outstanding balance of the CEFA 2008 Series A bonds, of which \$21,125,000 is currently outstanding.

The CEFA 2008 Series A bonds were originally issued in the amount of \$21,125,000. Bond proceeds were used to construct a new art center building, expand a theater, renovate a library, improve infrastructure, and to pay certain costs of issuance.

Financing Costs \$548,042

Cost of Issuance \$263,700

Underwriter’s Discount 284,342

TOTAL USES OF FUNDS..... \$44,785,775

II. PROPOSED COVENANTS, SECURITY AND DISCLOSURES:

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 such changes at the meeting.

After reviewing Redlands credit profile, including its current financial profile, prior bond transactions and considering what the market will support, Redlands' financial advisor, the Authority's financial advisor (Fieldman, Rolapp & Associates, Inc. ("Fieldman Rolapp")), and the underwriter of the proposed bonds have concluded that the covenants listed below should be applicable to this transaction. Redlands, Redlands' financial advisor, and Fieldman Rolapp note that the current financial situation of Redlands does not suggest that additional covenants should be required by the Authority.

- ✓ **Unconditional Promise to Pay.** *Borrower agrees to pay 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.*

Staff and Fieldman Rolapp have reviewed the entirety of this financing package and find it to be acceptable and appropriate given the credit quality of Redlands.

^[1]Capitalized terms are defined in the Indenture or Loan Agreement.

III. FINANCIAL ANALYSIS:

University of Redlands
Consolidated Statement of Activities
Unrestricted

	Fiscal Year Ended June 30,		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Operating Revenues			
Student revenues, net	\$ 110,322,188	\$ 104,485,113	\$ 96,303,943
Sales and services for educational activities	396,245	383,243	375,414
Other revenues	2,753,909	2,861,828	-
Conference & other income	-	-	2,571,807
Contributions	1,869,760	1,964,436	1,988,001
Government grants and contracts	646,231	2,056,808	1,477,345
Investment return utilized in operations	419,261	168,526	(179,677)
Net assets released from restrictions	5,067,973	3,646,259	3,981,782
Total Operating Revenues	<u>121,475,567</u>	<u>115,566,213</u>	<u>106,518,615</u>
Operating Expenses			
Instruction and research	46,159,286	44,458,261	43,047,224
Public support	1,225,060	1,390,380	1,209,566
Academic support	9,183,503	8,829,804	8,140,526
Student services	18,602,252	17,970,411	17,029,997
Institutional support	28,543,829	29,483,504	27,500,194
Auxiliary enterprises	16,437,242	16,917,189	14,875,696
Total Operating Expenses	<u>120,151,172</u>	<u>119,049,549</u>	<u>111,803,203</u>
Change In Net Assets from Operating Activities	1,324,395	(3,483,336)	(5,284,588)
<i>Non-Operating Activities</i>			
Contributions	401,373	2,437,206	449,126
Investment return, net of amounts designated for operations	4,486,670	4,345,152	(540,061)
Other income	53,898	29,091	14,092
Loss on disposal of assets	-	(495,125)	-
Net assets released from restrictions	321,633	2,393,592	421,268
Change in net assets from non-operating activities	<u>5,263,574</u>	<u>8,709,916</u>	<u>344,425</u>
Change in Unrestricted Net Assets	6,587,969	5,226,580	(4,940,163)
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	<u>60,442,006</u>	<u>55,215,426</u>	<u>60,155,589</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$ 67,029,975</u>	<u>\$ 60,442,006</u>	<u>\$ 55,215,426</u>

University of Redlands
Consolidated Statement of Financial Position

	As of June 30		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS			
Cash and cash equivalents	\$ 21,425,610	\$ 17,490,321	\$ 464,805
Temporary investments	-	-	12,041,558
Student accounts receivable, net	4,946,132	4,125,551	3,499,552
Other receivables	2,776,334	5,347,647	2,763,813
Prepaid expenses and other assets	2,000,005	2,178,078	2,402,530
Contributions receivable, net	8,413,228	3,069,737	4,431,654
Student loans receivable, net	11,438,242	12,417,429	13,297,474
Investments	148,626,695	130,105,916	121,229,671
Trust receivables	959,696	1,077,034	1,169,372
Cash designated for investment in property, plant and equipment	467,905	400,600	1,619,144
Property, Plant and equipment, net	130,162,632	136,015,954	138,500,764
Debt acquisition costs	1,214,400	1,315,952	1,420,443
TOTAL ASSETS	<u>\$ 332,430,879</u>	<u>\$ 313,544,219</u>	<u>\$ 302,840,780</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 9,950,512	\$ 13,881,456	\$ 16,353,864
Deferred revenue	6,313,700	6,219,996	4,465,869
Asset retirement obligations	3,005,510	2,928,065	2,853,832
Bonds and notes payable	77,196,375	79,589,582	77,895,437
Actuarial liability for split-interest agreements	14,359,322	13,527,243	13,611,637
Refundable U.S. government student loans	5,400,151	5,327,794	5,218,294
TOTAL LIABILITIES	<u>116,225,570</u>	<u>121,474,136</u>	<u>120,398,933</u>
NET ASSETS:			
Unrestricted	67,029,975	60,442,006	55,215,426
Temporarily Restricted	42,837,125	32,104,334	30,461,078
Permanently Restricted	106,338,209	99,523,743	96,765,343
TOTAL NET ASSETS	<u>216,205,309</u>	<u>192,070,083</u>	<u>182,441,847</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 332,430,879</u>	<u>\$ 313,544,219</u>	<u>\$ 302,840,780</u>

	Proforma			
	<u>FYE 6/30/2014 (a)</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt service coverage (x)	3.42	3.38	3.31	3.25
Debt to expendable net assets (x)	0.66	0.70	0.86	0.91
Expendable net assets to operations (x)	0.91	0.78	0.78	0.77
Margin	1%	-	-3%	-5%

(a) Recalculates FY 2014 results to include the impact of this proposed financing.

Financial Discussion:

Redlands experienced steady growth in student revenue which Redlands attributes to improved student enrollment and retention.

Redlands relies on net student revenues as its primary source of revenue. For FY 2014, this revenue represented approximately 90% of total revenues. In the three-year review period, student revenues have increased from \$96.3 million in FY 2012 to approximately \$110.3 million in FY 2014. Redlands attributes this growth primarily to improved student enrollment and retention in its traditional undergraduate and professional degree programs.

Operating expenses for Redlands totaled slightly over \$120.1 million in FY 2014, increasing approximately 7% from \$111.8 million in FY 2012. Redlands reports it has been active in controlling expenditures, starting at the operating budget development phase, to ensure overall growth in net revenues, which reflected improved operating margin.

Non-operating Activities have fluctuated from \$344,425 in FY 2012 to \$8,709,916 in FY 2013 to \$5,263,574 in FY 2014. Redlands attributes these fluctuations are primarily attributed to specific non-operating unrestricted contributions, investment return activity, and net assets released from restriction.

Redlands' financial strength shows positive improvements and its financial strength appears strong with approximately \$216.2 million in total net assets.

Redlands' balance sheet shows positive improvements in its net operating margin, posting a positive 1.1% in FY 2014, significantly increasing from a negative 3% reported in FY 2013 and a negative 5% reported in FY 2012. Redlands states these improvements are the result of additional diversified revenues generated from enrollments along with the steady increase in student retention, a declining need for financial aid, and tighter controls over expenses.

Total net assets increased approximately 18.5%, from approximately \$182.4 million in FY 2012 to approximately \$216.2 million in FY 2014. Redlands attributes these improvements are the results of increased cash holdings, investments, and contribution receivables. Redlands is maintaining a stable level of student accounts and student loan receivables. Additionally, Redlands reports a decrease of 3.5% in liabilities due to reductions in accounts payable and accrued expenses, and reductions of bonds and notes payable.

Redlands' financial strength has improved and appears solid with a debt service coverage ratio of 3.38x for FY 2014. Including the proposed bond financing, Redlands proforma debt service coverage remains strong at 3.42x.

IV. BACKGROUND:

General:

The University of Redlands (“Redlands”) is a California non-profit, public benefit corporation located in Redlands, California and governed by a self-perpetuating Board of Trustees. Redlands’ 160-acre campus is located in the San Bernardino Valley, halfway between Los Angeles and Palm Springs. Founded in 1907 by American Baptists, Redlands has since maintained a historic relationship with that denomination, affirming their importance in the establishment of the University. Redlands’ relationship with the American Baptists does not, however, impose any limits or restrictions on the student body, faculty, administration or Board of Trustees of the University.

Administration:

The Board of Trustees consists of up to thirty-nine members, one-third of whom are generally elected annually for three-year terms. There are currently 37 members and 2 vacancies on the Board. Members of the Board of Trustees represent a diverse spectrum of the community and include business, financial, legal, cultural and educational interests. Trustees can serve a maximum of three consecutive terms; thereafter, at least one year must lapse before re-election.

The Board of Trustees has a fiduciary responsibility to Redlands as a whole. The Trustees are responsible for electing the President and the overall management of Redlands, including its physical assets, development programs, academic policies, long-range planning, and financial and budgetary affairs. The Board holds regular meetings four times a year. The Board of Trustees has ten standing committees: Executive, Finance, Audit, Investment, Academic Affairs, Campus Planning, Student Life, Trusteeship, Executive Evaluation & Compensation, and University Relations.

Accreditation and Affiliations:

Redlands is accredited by the Accrediting Commission for Western Association of Schools and Colleges Senior College and University Commission. It also has programmatic accreditations from following organizations: American Chemical Society, the National Association of School of Music, the American Speech-Language Hearing Association, and is approved by the California Commission on Teacher Credentialing.

Academic Programs:

Redlands offers degrees in four major colleges and schools: The College of Arts and Sciences, the School of Education the School of Business, and the School of Continuing Studies. It also hosts five Centers of Distinction: Banta Center for Business Ethics and Society, Center for Educational Justice, Johnston Center for Integrative Studies, and the Truesdail Center for Communicative Disorders. In addition to its undergraduate majors, Redlands offers advanced degrees.

IV. OUTSTANDING DEBT:

<u>Issue:</u>	<u>Original Issue Amount</u>	<u>Amount Outstanding as of 6/30/2014</u>	<u>Estimated Amount Outstanding After Proposed Financing*</u>
Existing Tax-Exempt Debt:			
CEFA 2003 Series A	\$ 17,280,000	\$ 13,130,000	\$ -
CEFA 2003 Series B	17,000,000	10,875,000	-
CEFA 2005 Series A	27,180,000	23,330,000	10,970,000
CEFA 2008 Series A	21,125,000	21,125,000	13,885,000 **
Bank note payable		<u>8,387,960</u>	<u>\$ 8,387,960</u>
Proposed Financing			
CEFA, Series 2014			<u>40,000,000</u>
Total University Notes and Bonds Payable		<u>\$ 76,847,960</u>	<u>\$ 73,242,960</u>

* Utilizes unaudited amounts outstanding as of 10/31/2014.

** Refunding of CEFA 2008 Series A is contingent on improved market conditions at time of pricing.

V. DUE DILIGENCE:

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

- Religious Due Diligence
- Legal Review
- Compliance with Section 94212(b) of the Education Code – California Environmental Quality Act
- Iran Contracting Act Certificate

VI. STAFF RECOMMENDATION:

Staff recommends the Authority approve Resolution No. 299 in an amount not to exceed \$40,000,000 for the University of Redlands subject to a bond rating of at least investment grade by a nationally recognized rating agency. Macias Gini & O’Connell LLP, the Authority’s financial analyst, and Fieldman, Rolapp & Associates, Inc., the Authority’s financial advisor, concur with the Authority’s staff recommendations

EXHIBIT 1

Financing Team University of Redlands

Borrower:	University of Redlands
Agent for Sale:	California State Treasurer
Issuer's Counsel:	Attorney General's Office
Issuer's Financial Advisor:	Fieldman, Rolapp & Associates, Inc.
Issuer's Financial Analyst:	Macias Gini O'Connell LLP
Bond Counsel:	Squire Patton Boggs (US) LLP
Borrower's Financial Advisor	Public Financial Management, Inc.
Underwriter:	Wells Fargo Securities*
Underwriter's Counsel:	Hawkins Delafield & Wood LLP
Borrower's Counsel:	McPeters McAlearney Shimoff & Hatt
Trustee/Escrow Bank:	Wells Fargo Bank, N.A.
Rating Agency:	Moody's Investors Service
Auditor	Moss Adams LLP

* Wells Fargo Securities represents the trade name for certain securities-related capital markets and investment bank services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association.

RESOLUTION

RESOLUTION NO. 299

RESOLUTION OF THE CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS TO REFINANCE PROJECTS AT THE EDUCATIONAL FACILITIES OF UNIVERSITY OF REDLANDS

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, University of Redlands (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 (i) Revenue Bonds (University of Redlands), 2003 Series A in the aggregate principal amount of \$17,280,000, of which \$13,130,000 is currently outstanding, (ii) Revenue Bonds (University of Redlands) 2003 Series B in the aggregate principal amount of \$17,000,000, of which \$10,140,000 is currently outstanding, (iii) Revenue Bonds (University of Redlands) 2005 Series A in the aggregate principal amount of \$27,180,000 of which \$22,730,000 is currently outstanding, and (iv) Revenue Bonds (University of Redlands) 2008 Series A in the aggregate principal amount of \$21,125,000 of which \$21,125,000 is currently outstanding (collectively, the “Prior Bonds”), and made loans (the “Prior Loans”) to the Borrower of the proceeds thereof to finance or refinance the acquisition, construction, improvement and equipping of educational facilities as more particularly described in Exhibit A hereto (the “Project”);

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 \$40,000,000 and (i) to refund all or a portion of the outstanding Prior Bonds, (ii) to make one or more loans of the proceeds of the Bonds (as defined below) to the Borrower to refinance the Prior Loans (the “Project”), (iii) pay costs of issuance of the Bonds, and (iv) at the sole option of the Borrower, provide a bond reserve fund for the Bonds;

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 Project has complied 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:

(1) Pursuant to the Act, revenue bonds of the Authority designated as the “California Educational Facilities Authority Refunding Revenue Bonds (University of Redlands), Series 2014A” (the “Bonds”), in a total aggregate principal amount not to exceed \$40,000,000, 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 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.

(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 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: deed of trust, bond reserve fund, bond insurance, other credit and/or liquidity facility and/or another security arrangement.

(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 Wells Fargo Bank, National Association (the “Trustee”);

(c) the Escrow Agreements (the “Escrow Agreements”) relating to the Prior Bonds among the Authority, the Borrower and _____, the Prior Trustee;

(d) the Bond Purchase Contract, including the appendices thereto, relating to the Bonds (the “Bond Purchase Contract”), among Wells Fargo Bank, National Association (the “Underwriter”), the Treasurer and the Authority, and approved by the Borrower; and

(e) 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 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 officers 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, the Escrow Agreements and the Bond Purchase Contract 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.

(4) The dated dates, maturity dates (not exceeding 50 years from the respective date of issue), 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, shall be as provided in the Indenture, as finally executed.

(5) The Underwriter is hereby authorized to distribute the Preliminary Official Statement for 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 Underwriter (in consultation with the Borrower), a preliminary official statement may not be used with respect to any series of Bonds. The Underwriter is hereby directed to deliver a final official statement for the Bonds (the "Official Statement") to all actual purchasers of such Bonds.

(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 Underwriter thereof 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 respective Underwriter, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

(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 Bond Indenture, Loan Agreement, Bond Purchase Contract, the Escrow Agreements 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.

(8) The provisions of the Authority's Resolution No. 2013-01, dated as of January 31, 2013, as amended on December 5, 2013, apply to the documents and actions approved in this Resolution.

(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.

(10) This Resolution shall take effect from and after the date of adoption.

Date of Adoption: _____

EXHIBIT A

PROJECT

The 2003A Project: Proceeds of the Bonds, together with interest earnings thereon deposited to the credit of the trust estate, were used to provide for a plan of financing to:

(a) to finance or refinance the costs of construction of a 200-bed student housing community and parking facility, including infrastructure and the purchase and installation of equipment and furnishing therein;

(b) to finance or refinance the costs of construction, acquisition and equipping of cogeneration facility, including the purchase and installation of all required equipment therein;

(c) demolition of Village student housing and the construction of a new parking area, pedestrian walkways and landscaping on the site;

(d) infrastructure improvements to connect Hunsaker University Center and California/Founders Hall (student residence halls) to the University's Mechanical Center, including the purchase and installation of all required equipment therein;

(e) renovations of classrooms, art studios, faculty offices, technology laboratories, and other academic spaces, as well as recreational spaces, including Duke Hall, Hentschke Hall and Currier Gymnasium, and the purchase and installation of equipment and furnishing therein;

(f) pay costs of issuance of the Bonds; and

(g) finance such alternative or additional educational facilities as may be approved in writing by the Executive Director, the Chairperson or a deputy to the Chairperson of the Authority accompanied by an Opinion of Bond Counsel to the effect that inclusion of such alternative or additional facilities will not cause the interest on the Bonds to be included in federal gross income of the Bondholders for federal income tax purposes.

The 2003B Project: Proceeds of the Bonds, together with interest earnings thereon deposited to the credit of the trust estate, were used to provide for a plan of financing to: Advance refund of a portion of the Authority's outstanding Revenue Bonds (University of Redlands Project) Series 1995 in the aggregate principal amount of \$14,680,000 the proceeds of which were applied to pay the costs of maintenance, renovation and structural rehabilitation, including (1) certain seismic upgrades, disabled access enhancements and other improvements, of the Administration Building, Health Center Building, Armacost Library, Arthur Willis Center, Bekins Hall, Student Residence Hall, Melrose Hall and Alumni Greek Theatre, (2) the construction, renovation of Colton Avenue and University Street, including entrance facilities and gateways to the University campus, (3) the construction of a main entrance to the Ted Runner Stadium, the construction of an outdoor swimming complex and parking facility of approximately

93,700 square feet, the construction of a new two story science laboratory facility of approximately 42,000 square feet and the construction of a student dormitory and parking facility of approximately 200,000 square feet, (4) the renovation and structural rehabilitation of existing science facilities (including Duke Hall, Hentschke Hall and Hornby Hall, California Founders Hall, Fairmont Hall, Cortner Hall, Anderson Hall and East Hall), the entrance to the University Campus at Colton Avenue (joint project with the City of Redlands) and University Hall, (5) the renovation of classroom and academic spaces (including Larsen Hall, Hall of Letters, Armacost Library Building, Watchorn Hall and Williams Center) and the purchase and installation of equipment and furnishings therein, (6) the renovation, upgrade and conversion of spaces in the Currier Gymnasium (including the conversion of the existing pool area to a fitness and workout area) and the purchase and installation of equipment and furnishings therein, and (7) the upgrading of water and high voltage electrical systems, the purchase and installation of new data processing, telephone and computer networking systems and telecommunications equipment and the upgrading of existing equipment.

The 2005 Project: Proceeds of the 2005A Bonds, together with interest earnings thereon deposited to the credit of the trust estate, were used to provide for a plan of financing as listed below (each item of cost to be financed with Bond proceeds not having been the basis of any prior financing from the Authority):

(a) refund a portion of the Authority's outstanding Revenue Bonds (University of Redlands Project) Series 1995 in the aggregate principal amount of \$5,285,000 the proceeds of which were applied to pay the costs of maintenance, renovation and structural rehabilitation, including (1) certain seismic upgrades, disabled access enhancements and other improvements, of the Administration Building, Health Center Building, Armacost Library, Arthur Willis Center, Bekins Hall, Student Residence Hall, Melrose Hall and Alumni Greek Theatre, (2) the construction, renovation of Colton Avenue and University Street, including entrance facilities and gateways to the University campus, (3) the construction of a main entrance to the Ted Runner Stadium, the construction of an outdoor swimming complex and parking facility of approximately 93,700 square feet, the construction of a new two story science laboratory facility of approximately 42,000 square feet and the construction of a student dormitory and parking facility of approximately 200,000 square feet, (4) the renovation and structural rehabilitation of existing science facilities (including Duke Hall, Hentschke Hall and Hornby Hall, California Founders Hall, Fairmont Hall, Cortner Hall, Anderson Hall and East Hall), the entrance to the University Campus at Colton Avenue (joint project with the City of Redlands) and University Hall, (5) the renovation of classroom and academic spaces (including Larsen Hall, Hall of Letters, Armacost Library Building, Watchorn Hall and Williams Center) and the purchase and installation of equipment and furnishings therein, (6) the renovation, upgrade and conversion of spaces in the Currier Gymnasium (including the conversion of the existing pool area to a fitness and workout area) and the purchase and installation of equipment and furnishings therein, and (7) the upgrading of water and high voltage electrical systems, the purchase and installation of new data processing, telephone and computer networking systems and telecommunications equipment and the upgrading of existing equipment;

(b) advance refund a portion of the Authority's outstanding Revenue Bonds (Pooled College and University Projects) 2000 Series A allocable to the University in the aggregate principal amount of \$10,390,000 the proceeds of which were applied to pay costs of construction, maintenance, renovation, expansion and structural rehabilitation, including (1) construction of new student apartments/dormitory and parking facility, including purchase and installation of equipment and furnishings therein, (2) structural rehabilitation, including certain seismic upgrades, disabled access enhancements and other improvements, of the Administration Building which houses offices for administrative and student services, including purchase and installation of equipment and furnishing therein, (3) structural rehabilitation, including seismic upgrades, disabled access enhancements and other improvements, of Armacost Library Building which houses a library as well as offices for administrative and student services and academic computing laboratories and classrooms, (4) structural rehabilitation, including certain seismic upgrades, disabled access enhancements and other improvements, of the Currier Gymnasium, including the conversion of the abandoned indoor swimming pool area to recreational and athletic court space, (5) renovation and expansion of existing Field House, including new health and fitness center and purchase and installation of equipment and furnishings therein, (6) structural rehabilitation, renovation or partial renovation of existing science facilities (Duke Hall, Hornby Hall and Hentsche Hall) and conversion to general academic/classroom buildings, and purchase and installation of equipment and furnishing therein, (7) renovation of Cortner Hall, a student residence hall/dormitory, and purchase and installation of equipment and furnishings therein, (8) structural rehabilitation, renovation or partial renovation of existing student residence halls/dormitories, including Bekins-Holt Hall, Bekins Hall, Grossmont Hall, Fairmont Hall, Anderson Hall, California/Founders Hall, Merriam Hall and East Hall, and purchase and installation of equipment and furnishings therein, (9) renovation of classrooms, laboratory, art studios, faculty office and academic spaces, including Larsen Hall, Hall of Letters, University Hall, Watchorn Hall, Truesdail Center, Gannett Center and Wallichs Theatre, and the purchase and installation of equipment and furnishings therein, (10) renovation or partial renovation and conversion of Williams Center to student residence hall, and purchase and installation of equipment and furnishings therein, (11) renovation or partial renovation of the lower level of the Armacost Library for classrooms, seminar rooms, study areas, offices for administrative and student services, and additional library space as well as academic computing and technology laboratories/classrooms, (12) construction of a new main entrance to the Ted Runner Stadium and to structurally/seismically upgrade the South Grand Stand (bleachers), (13) construction and installation of campus-wide high-speed (Ethernet) network, including equipment and user systems, and (14) construction of new public restrooms and visitors' lounge along with patio area, to be located between Watchorn Hall and Memorial Chapel;

(c) construct, acquire and equip a cogeneration facility including the purchase an installation of all required equipment therein, approximate \$3,600,000 project cost;

(d) acquire equipment for replacement of campus telephone system, approximate \$1,600,000 project cost;

(e) renovation of Founders Hall, a student residence hall/dormitory, and purchase and installation of equipment and furnishings therein, approximate \$3,000,000 project cost;

(f) renovation of California Hall, a student residence hall/dormitory, and purchase and installation of equipment and furnishings therein, approximate \$2,900,000 project cost; and

(g) renovations of classrooms, art studios, faculty offices, technology laboratories, and other academic spaces, as well as recreational spaces, including Duke Hall, Hentschke Hall and Currier Gymnasium. Spaces to be used for teaching, research and other academic related uses. Amount to be any unspent portion of remaining bond proceeds.

The 2008 Project: Proceeds of the Series 2008 Bonds, together with interest earnings thereon deposited to the credit of the trust estate, will be used, but not limited, to provide for a plan of financing as listed below (each item of cost to be financed with Bond proceeds not having been the basis of any prior financing from the Authority):

(A) construction, acquisition and equipping of an Art Center and Wallich's Theatre expansion including the purchase and installation of all required equipment therein;

(B) renovation of Armacost Library, and purchase and installation of equipment and furnishings therein; and

(C) infrastructure improvements to connect facilities to the University's Mechanical Center for the extension of the hot/chilled water distribution system, including the purchase and installation of all required equipment therein.