

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
BOND FINANCING PROGRAM**

EXECUTIVE SUMMARY

<p>Applicant: Art Center College of Design ("Art Center") 1700 Lida Street Pasadena, CA 91103 Los Angeles County</p> <p>Facility Type: Private University</p> <p>Project Location: Pasadena CA</p> <p>Accreditation: Western Association of Schools and Colleges</p>	<p>Amount Requested: \$21,000,000</p> <p>Date Requested: January 26, 2012</p> <p>Resolution Number: 287</p>
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Use of Proceeds: Bond proceeds will be used to finance the cost of acquisition and renovation of property adjacent to Art Center's South Campus. In addition, Art Center intends to make improvements to buildings on both its main Hillside and South Campuses, including remodeling, renovation and equipping of various campus facilities, classrooms, work space, offices, parking facilities, academic spaces, administrative offices, and related infrastructure improvements.

<p>Type of Issue: Direct Bank Placement</p> <p>Credit Enhancement: N/A</p> <p>Expected Credit Rating: Unrated (please see Guidelines Discussion, Page 3)</p> <p>Structuring Agent: Wells Fargo Securities</p> <p>Bond Counsel: Squire Sanders (US) LLP</p>

Environmental Benefits: The project encompasses a building on each of Art Center's three properties, one of which is already LEED certified. Art Center's 100,000 square foot building on its South Campus was among the first buildings to achieve LEED Certification in the City of Pasadena. The other two buildings are older and Art Center does not anticipate proceeds will be used to upgrade them to LEED status. Art Center commits to energy efficiency in operations, including the use of renewable energy sources, efficient transportation options, and a goal of carbon neutral operations. The main environmental benefit with this project will result in reduced automobile trips between the two campuses.

Financial Overview: Art Center has exhibited strong operating results over the review period, supported by steady growth in tuition and fee revenue. Art Center's balance sheet appears strong with a solid pro-forma debt service coverage ratio of 3.66x.

<u>Sources of Funds:</u>		<u>Uses of Funds:</u>	
Par Amount of Bonds	\$21,000,000	Project Fund	\$20,700,000
		Financing Costs	<u>300,000</u>
Total Sources	<u>\$21,000,000</u>	Total Uses	<u>\$21,000,000</u>

Legal Review: Although disclosures were made by the applicant, the information disclosed does not appear to detrimentally affect the financial viability or legal integrity of the applicant.

Staff Recommendation: Staff recommends the Authority approve Resolution No. 287 in an amount not to exceed \$21,000,000 for Art Center College of Design as an unrated Direct Bank Placement. Macias, Gini & O'Connell, LLP, the Authority's financial analyst, and Public Financial Management, the Authority's financial advisor, concur with the Authority's staff recommendations.

STAFF SUMMARY AND RECOMMENDATION

Art Center College of Design (“Art Center”)

January 26, 2012

Resolution No. 287

- I. PURPOSE OF FINANCING: Art Center intends to use bond proceeds to finance the cost of acquisition and renovation of property adjacent to its South Campus. In addition, the project includes internal improvements to two other buildings, one on each of Art Center’s main Hillside and South Campuses.

Project Fund\$20,700,000

Art Center intends to use bond proceeds primarily to finance the acquisition of property adjacent to its South Campus in downtown Pasadena. The property currently houses an old U.S. Post Office building. Art Center is under contract to buy the property, which is due to close in late February. Renovations to this facility will allow the building to be used for classroom and studio space for Art Center students.

In addition, bond proceeds will be used to remodel, renovate and equip two other campus buildings on its main Hillside and South Campuses, including remodeling, renovation and equipping of classrooms, work space, offices, parking facilities, academic spaces, administrative offices, and related infrastructure improvements.

Environmental Benefits:

The project encompasses a building on each of the three properties, one of which is already LEED certified. Art Center’s 100,000 square foot building on their South Campus was among the first to achieve LEED Certification in the City of Pasadena. The other two buildings are older and Art Center does not anticipate proceeds will be used to upgrade them to LEED status. Art Center commits to energy efficiency in operations, including the use of renewable energy sources, efficient transportation options, and a goal of carbon neutral operations. The main environmental benefit with this project will result in reduced automobile trips between the two campuses.

Financing Costs\$300,000

Cost of Issuance 300,000

TOTAL USES OF FUNDS\$21,000,000

II. GUIDELINES DISCUSSION:

The Authority recently modified its bond issuance guidelines relating to investment grade rated transactions, but has not yet modified its guidelines relating to unrated transactions. Instead, the Authority will continue to apply its existing unrated debt (attached as Exhibit 1) guidelines to this transaction, with such exceptions as are approved by the Authority on a case-by-case basis. The Art Center College of Design's 2012 bonds (the "Bonds") will be unrated, index rate mode, direct bank placement financing with Wells Fargo Bank, N.A. ("Wells Fargo"). Given these facts, the Authority's unrated debt guidelines have relevance and serve as the basis of staff's recommendation to apply these guidelines to this transaction, with certain exceptions described below:

Art Center has requested the following guidelines be applied to this transaction:

- Must be privately placed (in both primary and secondary markets), with a "Qualified Institutional Buyer" ("QIB") as defined by SEC Rule 144A, promulgated under the Securities Act of 1933
- Minimum denomination of \$100,000
- General Obligation Pledge
- Revenue Pledge

All of the foregoing requirements are designed to maximize the likelihood that the unrated bonds will be placed with more sophisticated investors given the higher risk typically perceived to be associated with unrated debt. Although it's likely that these guidelines were originally formulated working under the assumption that a borrower could not secure an investment grade credit rating, this is not necessarily the case with Art Center. The Bonds are not rated at this time because Wells Fargo, as purchaser, does not require the Bonds to be rated. Wells Fargo made an independent credit determination to purchase the Bonds which will be reflected in its investor letter. The Bonds can be remarketed to investors other than QIBs after the initial index rate period. However, no remarketing of the Bonds can occur unless an "A" rating is confirmed at that time. The "A" rating would eliminate the need to satisfy the unrated issuance guidelines.

Art Center has requested the following exceptions to the Authority's unrated debt guidelines for this transaction:

- **Debt Service Reserve Account**

Wells Fargo has waived the reserve requirement entirely because Art Center has provided sufficient additional security in the form of a lien on its property. Additionally, requiring Art Center to fund a Reserve Account would result in extra costs as well as a possible negative arbitrage situation.

- **Secured with real property**

Art Center requests a modified security provision. Art Center has provided the deed of trust for its main campus as security. However, the security interest will not benefit the Series 2012 Bonds exclusively. Instead, the security interest in revenue and property will be on parity with the prior CEFA bonds issued for Art Center, as well as obligations under a swap agreement with Wells Fargo. The property was recently appraised at \$70 million. The Borrower expects that the value of the deed of trust property would exceed the sum of potential obligations under the Bonds, the prior CEFA bonds and other obligations secured by the deed of trust. The security interest is held by the Collateral Agent for the benefit of the bondholders. The security interest in gross revenues and real and personal

property would be extended by amendment to the Security Agreement and Deed of Trust to include the Series 2012 Bonds for the life of the Bonds.

Additional Covenants, Security and Disclosures:

- **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 Revenues¹ and any other amounts held in a designated fund or account under the Bond Indenture are pledged to secure the full payment of the bonds.*
- **Enrollment.** *Borrower agrees to maintain a full time equivalent enrollment of not less than 1,100 students for each academic year.*
- **Disposition of Cash and 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. The Borrower has covenanted to comply with the rule whenever required.*

¹Capitalized terms are defined in the Indenture.

III. FINANCIAL ANALYSIS:

Art Center College of Design
Statement of Activities
Unrestricted (\$000s)

	As of June 30		As of
	2011	2010*	December 31
			2009
Revenues:			
Tuition and fees, net	\$ 60,622	\$ 27,316	\$ 56,933
Private gifts and grants	404	295	310
Investment and other income	716	431	540
Spending policy income	-	-	139
Sales and services of auxiliary enterprises	507	199	472
Other sources	558	319	972
Donor redesignation	-	-	20
Amounts released from restrictions	5,013	2,964	3,020
Total revenues	67,820	31,524	62,406
Expenses:			
Education	44,642	21,594	42,569
Student services	5,935	2,588	5,382
Administration	8,413	5,423	8,538
Advancement	2,606	1,058	2,270
Auxiliary services	565	241	637
Total expenses	62,161	30,904	59,396
Change in net assets from operations	5,659	620	3,010
Other changes in net assets:			
Net change in actuarial obligations	46	(135)	(111)
Net change in fair value of investments	1,481	(257)	3,603
Loss/Gain on interest rate swap	(1)	3	(68)
Other expenses	(1,129)	(742)	(945)
Increase in net assets from other changes	397	(1,131)	2,479
Change in net assets	6,056	(511)	5,489
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	35,418	35,929	30,440
UNRESTRICTED NET ASSETS, END OF YEAR	\$ 41,474	\$ 35,418	\$ 35,929

* Art Center changed from a calendar year-end to a fiscal year end as of December 30, 2009.

FY 2010 audited financial statements reflect a six-month period from January 1, 2010 to June 30, 2010.

Art Center College of Design
Statement of Financial Position (\$000's)

	As of June 30		As of
	<u>2011</u>	<u>2010*</u>	<u>December 31</u> <u>2009</u>
ASSETS:			
Cash and cash equivalents	\$ 11,797	\$ 8,459	\$ 8,478
Cash whose use is limited/restricted	35	350	350
Accounts and notes receivable, net	5,690	7,028	4,217
Contributions receivable, net	999	765	695
Investments	77,780	64,903	61,550
Other assets	2,951	2,916	118
Bonds issuance costs, net	-	-	797
Property, plant and equipment, net	43,946	46,015	46,891
Total assets	<u>\$ 143,198</u>	<u>\$ 130,436</u>	<u>\$ 123,096</u>
LIABILITIES AND NET ASSETS:			
Accounts payable	\$ 820	\$ 990	\$ 945
Accrued liabilities	4,101	4,193	4,839
Unearned tuition income	10,353	9,896	447
Federal student loan funds	422	415	415
Annuity obligations	158	164	165
Bonds payable	29,585	30,330	30,330
Total liabilities	<u>45,439</u>	<u>45,988</u>	<u>37,141</u>
Net assets:			
Unrestricted	41,474	35,418	35,929
Temporarily restricted	11,615	5,077	11,163
Permanently restricted	44,670	43,953	38,863
TOTAL NET ASSETS	<u>97,759</u>	<u>84,448</u>	<u>85,955</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 143,198</u>	<u>\$ 130,436</u>	<u>\$ 123,096</u>

* Art Center changed from a calendar year-end to a fiscal year end as of December 30, 2009.
FY 2010 audited financial statements reflect a six-month period from January 1, 2010 to June 30, 2010.

Financial Ratios

	Proforma	<u>2011</u>	<u>2010 (b)</u>	<u>2009</u>
	FYE 6/30/11			
Debt service coverage (x)	3.66 (a)	6.28	17.14	8.52
Debt to expendable net assets (x)	0.95	0.56	0.75	0.64
Expendable net assets to operations (x)		0.85	1.31	0.79
Margin		8%	2%	5%

(a) Recalculates FY 2011 results to include the impact of this proposed financing

(b) Because of the change in fiscal year reporting, debt service coverage reflects no bond payments in this six-month period.

Art Center Financial Reporting Policy Change

At the end of December 30, 2009, Art Center changed from a calendar year-end to a fiscal year-end of June 30. Art Center's decision was for the purpose of aligning their year-end reporting with those commonly used by other higher-ed and non-profit institutions. This realignment will also aid Art Center in their annual reporting to federal, state, and accrediting agencies. Art Center's audited financials for this review cover calendar year January 1, 2009 through December 30, 2009; January 1, 2010 through June 30, 2010; and July 1, 2010 through June 30, 2011. CEFA's review period is usually for a three year period, but because of Art Center's change to a fiscal year, CEFA's review will be for a 2 ½ year period using Art Center's three most recent audited financial statements.

Financial Discussion:

Art Center has exhibited strong operating results over the review period, supported by steady growth in tuition and fee revenue.

Art Center has exhibited strong operating results over the review period. Tuition and fees account for approximately 89% of Art Center's total unrestricted revenues which has grown nearly 6% over the review period, from approximately \$56.9 million in FY 2009 to approximately \$60.6 million in FY 2011. The steady increase can be attributed to increased student population as well as an incremental raise in student tuition. Art Center's operating expenses have kept in line with revenue, increasing slightly due to the increase in enrollment and demand for more class sections and student services.

Art Center's balance sheet appears strong with a solid pro-forma debt service coverage ratio of 3.66x.

Art Center's balance sheet appears strong and its total net asset levels have maintained steady growth over the review period, increasing approximately 14% over the review period from nearly \$123 million in FY 2009 to nearly \$143.2 million in FY 2011. Cash and cash equivalents rose significantly over the review period, from approximately \$8.4 million in FY 2009 to approximately \$11.7 million in FY 2011. Art Center reported that the college intentionally planned to increase cash in order to build liquidity in anticipation of issuing tax-exempt financing.

Unearned tuition income increased dramatically from \$447,000 in FY 2009 to approximately \$10.3 million in FY 2011. Art Center reports that this increase was entirely a timing issue, resulting from the change in fiscal year reporting which caused tuition payments to be reflected in the middle of different fiscal years. In addition, no bond payments were made during the FY 2010 six-month period causing debt service coverage ratio to appear high at 17.14x. Nonetheless, based on FY 2011 operating results, debt service coverage ratio appears solid with 6.28x and with the new debt, Art Center's proforma debt service coverage remains strong with 3.66x.

IV. BACKGROUND:

General:

Founded in 1930, Art Center College of Design (“Art Center”) is a non-profit, non-sectarian, privately endowed, co-educational institution known for preparing students for careers in the design professions. Admission is based primarily on talent and achievement in art and design as demonstrated by the quality of a specific portfolio of original work created by the applicant for the desired major. As a result, nearly all entering undergraduates have at least one year of college experience and approximately 25% have a bachelor’s degree. Approximately half of students come from California, one-quarter from other states, and one-quarter from other countries.

The Art Center's Main Campus is located on a 175-acre hillside overlooking the Rose Bowl in Pasadena, California. The main campus building of approximately 217,000 square feet is an award-winning design. It houses classrooms, studio space, multiple computer labs, the James Lemont Fogg Memorial Library, as well as a curated student gallery and an external exhibit gallery, both open to the public. The Hillside Campus has been designated as a historic monument by the City of Pasadena. Art Center's South Campus consists of an approximate 100,000 square foot building and was one of the first buildings in Pasadena to be LEED certified. The building houses the Art Center’s Graduate Art and Graduate Media Design Programs. Art Center does not own or operate student housing. Art Center offers exchange opportunities and joint programs with the nearby California Institute of Technology and Occidental College.

Administration:

Art Center is a nonprofit organization governed by a board of trustees. The board is composed of no less than 11 and no more than 27 members, who come from a variety of disciplines. They serve on a rotating basis and are expected to perform functions of benefit to the college. The president of the college reports to the trustees. In addition to an executive committee, there are currently trustee committees in the areas of education, finance, audit, governance, facilities and development.

Accreditations and Affiliations:

Art Center is fully accredited by the Western Association of Schools and Colleges (WASC). In 2007, WASC reaffirmed accreditation of the Art Center following a comprehensive review. It also has professional accreditation from the National Association of Schools of Art and Design. In addition, it has affiliations with several other professional organizations.

Academic Programs:

Art Center offers the Bachelor of Fine Arts degree in Advertising Design, Film, Fine Arts, Graphic Design, Illustration, and Photography. It offers a Bachelor of Science degree in Environmental Design, Product Design, and Transportation Design. It offers a Master of Arts degree in Art Theory and Criticism and a Masters of Fine Arts degree in Film, Fine Arts, Media Design, and Industrial Design.

V. OUTSTANDING DEBT:

	Original Issue Amount	Amount Outstanding as of 6/30/11	Estimated Amount Outstanding After Proposed Financing*
Existing Debt:			
CEFA, 2002 Series A	11,545,000	9,345,000	9,045,000
CEFA, 2002 Series B	13,055,000	10,555,000	10,155,000
CEFA, Series 2009	9,940,000	9,685,000	9,535,000
<i>Proposed:</i>			
CEFA, Series 2012		<u>-</u>	<u>21,000,000</u>
Total		<u>\$ 29,585,000</u>	<u>\$ 49,735,000</u>

* Includes debt as of December 31, 2011 and proposed debt

VI. 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 – Not required with this financing
- Iran Contracting Act

VII. STAFF RECOMMENDATION:

Staff recommends the Authority approve Resolution No. 287 in an amount not to exceed \$21,000,000 for Art Center College of Design as an unrated Direct Bank Placement. Macias, Gini & O’Connell, LLP, the Authority’s financial analyst, and Public Financial Management, the Authority’s financial advisor, concur with the Authority’s staff recommendations.

EXHIBIT 1

CEFA BOND ISSUANCE GUIDELINES Less than BBB/BBB/Baa or Unrated Debt

While all projects must demonstrate financial feasibility, these guidelines describe what CEFA would expect to see given a transaction (or borrower) with a particular rating (or no rating). The Authority would reserve the right to use its discretion as necessary and appropriate. The Authority acknowledges that each financing must be reviewed individually and exceptions to these guidelines may be considered if the applicant demonstrates that such exception is a necessary part of a cost-effective and prudent borrowing strategy. Conversely, the Authority retains the flexibility to request additional provisions as circumstances warrant.

BOND RATING ⁽¹⁾	<u>LOAN SECURITY PROVISIONS</u>	<u>BOND COVENANTS</u>
<p>Less than BBB/BBB/Baa Rated or Unrated Debt</p>	<ul style="list-style-type: none"> • Must be privately placed (in both primary and secondary markets), with a “Qualified Institutional Buyer” as defined by SEC Rule 144A, promulgated under the Securities Act of 1933 • Minimum denomination of \$100,000 <hr/> <ul style="list-style-type: none"> • General Obligation Pledge • Revenue Pledge • Debt Service Reserve Account (must be funded at all times with internal cash, bond proceeds, letter of credit or surety bond) • Secured with real property or other assets with an appraised value of at least 100% of bond size (with appropriate release conditions), dependent on the overall asset base and financial strength of the applicant. 	<p><u>Reporting Covenants:</u></p> <ul style="list-style-type: none"> • Annual submission of Certificate of Compliance with CEFA Statute, Continuing Disclosure, financial and other covenants. • Annual submission of Arbitrage Reports to the Authority • Annual Audited Financial Statements • Interim internal financial information, if requested <p><u>Other Covenants</u></p> <ul style="list-style-type: none"> • Financial and other covenants as appropriate

(1) Refers to rating categories used by Standard & Poor’s/Fitch/Moody’s.

RESOLUTION NO. 287

**RESOLUTION OF THE CALIFORNIA EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS
TO FINANCE EDUCATIONAL FACILITIES FOR
ART CENTER COLLEGE OF DESIGN**

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 to finance and refinance the acquisition, construction, improvement, installation, renovation, rehabilitation, furnishing and equipping of educational facilities by participating private colleges (as defined in the Act) located in the State of California;

WHEREAS, Art Center College of Design (the “Borrower”) has requested that the Authority issue its revenue bonds in one or more series (the “Bonds”) and loan the proceeds to the Borrower for the purpose of financing the costs of the acquisition, construction, improvement, installation, renovation, rehabilitation, furnishing and equipping of certain educational facilities, in each case, with related and appurtenant facilities as more fully described in Exhibit A hereto (the “Project”), which description is hereby incorporated by reference; and paying costs incurred in connection with the issuance of the Bonds; and

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

WHEREAS, the Bonds shall be sold to Wells Fargo Bank, N.A. (the “Purchaser”), a Qualified Institutional Buyer, as defined in the Indenture.

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 “California Educational Facilities Authority Revenue Bonds (Art Center College of Design) Series 2012”, in the total aggregate principal amount not to exceed \$21,000,000 is hereby authorized to be issued from time to time, in one or more series, with such other name or names with respect to a series as may be designated in the indenture pursuant to which the Bonds shall be issued. The proceeds of the Bonds shall be used for any or all of the purposes set forth in the second WHEREAS paragraph 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 six months of the date of the adoption of this Resolution, at private sale, in such aggregate amount and in such series, at such price and at such interest rate or rates as the Treasurer, with the advice and consent of the Borrower, may determine. The Bonds or any series

of them may, at the option of the Borrower, be secured by bond insurance or a credit facility and supported by one or more liquidity facilities meeting the terms of the indenture pursuant to which such Bonds will be issued.

Section 3. The following documents:

(i) the Loan Agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower;

(ii) the Indenture relating to the Bonds (the “Indenture”), between the Authority and U.S. Bank, National Association, as trustee (the “Trustee”); and

(iii) the Bond Purchase Contract relating to the Bonds (the “Purchase Contract”), among the Authority, the Treasurer of the State of California, as agent for sale, and the Purchaser, and approved by the Borrower

are hereby approved in substantially the respective forms currently on file with the Authority, in each case with such insertions and changes therein consistent with the stated terms of this Resolution (including without limitation changes with respect to covenants) as the signatory executing the same, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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

Section 5. 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 Purchaser, 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 Purchaser, in accordance with the Indenture upon payment of the purchase price set forth in the Indenture.

Section 6. The Executive Director is hereby delegated the power to consent to amendments to the existing Security Documents and Intercreditor Agreement (as defined in the Indenture) which secure the Authority’s Series 2002 Bonds and Series 2009 Bonds issued for the benefit of the Borrower in connection with providing security for the Bonds.

Section 7. Each officer of the Authority is hereby authorized and directed 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 and the Loan Agreement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) a tax

agreement and any certificates related thereto; (b) any credit or security documents or amendments thereto; and (c) any agreement or commitment letter with respect to the provisions of bond insurance, a letter of credit, a surety bond and/or a liquidity facility, if any, for the Bonds.

Section 8. The provisions of the Authority's Resolution No. 2011-03 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. This Resolution shall take effect from and after the date of adoption.

Date of Adoption:

EXHIBIT A TO RESOLUTION NO. 287

Description of the Project

The Project includes acquisition, construction, improvement, and/or equipping of certain facilities and improvements, consisting of certain educational facilities, classrooms, work spaces, offices, parking facilities, academic spaces, administrative offices and related infrastructure improvements located or to be located on (1) the Hillside campus located at 1700 Lida Street, Pasadena, California, (2) the South Campus located at 950 South Raymond Avenue, Pasadena, California and (3) the property adjacent to the South Campus located at 870 and 888 South Raymond Avenue, Pasadena, California.