CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
BOND FINANCING PROGRAM

EXECUTIVE SUMMARY

Applicant:	Claremont McKenna College ("CMC") 500 East 9th Street Claremont, CA 91711 Los Angeles County	**Amount Requested:**	$125,000,000
		Date Requested:	October 29, 2015
		Resolution Number:	306
Facility Type:	Private College		
Project Location:	Claremont, CA		
Accreditation:	Western Association of Schools and Colleges		

Use of Proceeds: Bond proceeds will be used to refund all or a portion of the CEFA Series 2007 and CEFA Series 2009 bonds. The refunding of these bonds is expected to provide CMC with a net present value savings of approximately $13.3 million or 12%, under current market conditions.

Type of Issue:	Negotiated public offering, tax-exempt and taxable fixed rates.
Credit Enhancement:	None
Expected Credit Rating:	Aa2 (Moody's)
Financing Team:	*Please see Exhibit 1 to identify possible conflicts of interest*

Environmental Benefits: Since this transaction is a refunding of existing debt, environmental benefits are not applicable to this financing.

Financial Overview: CMC has generated positive operating results and has demonstrated stable growth in its revenue base. CMC demonstrates solid financial strength as reflected by CMC's total net asset growth, while the Statement of Financial Position demonstrates continued steady growth.

Sources of Funds:		**Uses of Funds:**	
Bond proceed	$125,000,000	Refunding	$134,823,976
Premium	11,009,389	Financing Costs	1,185,413
Total Sources	$136,009,389	Total Uses	$136,009,389

Due Diligence: Staff has received and reviewed the Eligibility, Legal Review, and Religious Due Diligence. All documentation satisfies the Authority's requirements.

Staff Recommendation: Staff recommends the Authority approve Resolution No. 306 in an amount not to exceed $125,000,000 for Claremont McKenna College 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 Public Financial Management, Inc., the Authority's financial advisor, concur with the Authority's staff recommendations.

STAFF SUMMARY AND RECOMMENDATION

Claremont McKenna College ("CMC")
October 29, 2015
Resolution No. 306

I. PURPOSE OF FINANCING: CMC is taking advantage of the current interest rate environment to refund all or a portion of the CEFA Series 2007 and CEFA Series 2009 bonds that are expected to provide CMC with a net present value savings of approximately $13.3 million or 12%, under current market conditions. The CEFA Series 2007 and CEFA Series 2009 bonds enabled CMC to construct a new academic/administrative building and renovate and add to its residential space to allow for growth of the College. The refunding will provide future cost savings in the operating budget to continue to support the academic and campus life for students.

Refunding …………………………………...…...………………… $ **134,823,976**

CMC anticipates issuing tax-exempt and/or taxable bonds to advance refund all or a portion of the CEFA Series 2007 bonds, of which approximately $38.2 million remains outstanding as of September 30, 2015. The CEFA Series 2007 bonds were originally issued in the amount of $40,425,000. Bond proceeds were used to construct, renovate and equip various facilities throughout the campus. CMC also used a portion of the proceeds to refund CMC's portion of the CEFA Pooled Series 1995A bonds and to advance refund a portion of CEFA Series 1999 bonds.

CMC anticipates issuing tax-exempt and/or taxable bonds to advance refund all or a portion of the CEFA Series 2009 bonds, of which approximately $83.1 million remains outstanding as of September 30, 2015. The CEFA Series 2009 bonds were originally issued in the amount of $83,095,000. Bond proceeds were used to finance various capital improvement projects, including the construction of an academic and administrative building.

Environmental Benefits:
Since this transaction is a refunding of existing debt, environmental benefits are not applicable to this financing.

Financing Costs………………………………...…...…………………. **1,185,413**

Cost of Issuance $1,185,413

TOTAL USES OF FUNDS.. ***$136,009,389***

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 it at the meeting.

After reviewing CMC's credit profile, including its current financial profile, prior bond transactions and considering what the market will support, CMC, the Authority's financial advisor (Public Financial Management, Inc. ("PFM")), and the underwriter of the proposed bonds have concluded that the covenants listed below should be applicable to this transaction. CMC, the underwriter, and PFM note that the current financial situation of CMC 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 Revenue*[1] *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.*

- ✓ **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. Section 15(g) of Loan Agreement.*

Staff and PFM reviewed the entirety of this financing package and find it to be acceptable.

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[1] Capitalized terms defined in the Indenture.

III. FINANCIAL ANALYSIS:

Claremont McKenna College
Statement of Activities
Unrestricted ($000s)

	Fiscal Year Ended June 30,		
	2015	2014	2013
Operating activities:	**(DRAFT)[(a)]**		
Revenues:			
Net student revenues	$ 59,495	$ 56,340	$ 52,640
Private gifts and grants	4,591	4,169	3,675
Federal grants	1,529	789	910
Private contracts	713	812	658
Spending policy income	8,474	8,098	7,599
Other investment income	1,913	2,038	1,790
Other revenues	2,040	1,882	1,958
Release of net assets			
Restricted gifts	28,672	16,620	20,743
Restricted spending policy income	20,217	19,528	18,259
Annuity and life income	816	115	365
Total revenues	128,460	110,391	108,597
Expenses:			
Instruction	36,733	34,933	34,490
Research	7,890	8,298	7,459
Academic support	8,987	8,469	8,598
Student services	15,361	15,197	13,985
Institutional support	17,712	16,678	16,243
Auxiliary enterprise	17,188	17,140	16,787
Total expenses	103,871	100,715	97,562
Excess of revenues over expenses	24,589	9,676	11,035
Other change in net assets;			
Realized and unrealized gains (losses), net of spending allocation	(5,512)	23,433	22,864
Release of net assets Plant facilities	291	-	1,145
Transfers to Claremont University Consortium	(943)	-	-
Actuarial adjustment	116	-	-
Staff retirement plan comprehensive gain	(721)	294	765
Donor redesignations between net asset categories	(209)	(36)	52
Change in net assets	17,611	33,367	35,861
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	244,907	211,540	175,679
UNRESTRICTED NET ASSETS, END OF YEAR	$ 262,518	$ 244,907	$ 211,540

(a) Draft Financials, CMC's Audit Committee will meet on October 26th, 2015 for approval.

Claremont McKenna College

Statement of Financial Position ($000s)

	As of June 30,		
	2015	2014	2013
ASSETS:	**(DRAFT)** [(a)]		
Cash	$ 1,420	$ 732	$ 1,659
Accounts and notes receivable, net	17,054	16,199	16,997
Prepaid expenses and deposits	7,730	6,373	5,501
Contributions receivable	146,178	196,577	206,175
Beneficial interest in trust	899	6,219	5,860
Investments	858,854	823,856	727,983
Plant facilities, net	249,455	212,719	186,499
Total assets	$ 1,281,590	$ 1,262,675	$ 1,150,674
LIABILITIES AND NET ASSETS:			
Accounts payable and accrued liabilities	$ 20,432	$ 17,818	$ 16,124
Funds held in trust for others	3,830	3,128	2,853
Deposits and deferred revenues	2,155	1,752	1,289
Staff retirement liability	1,235	746	1,196
Life income and annuities payable	48,241	44,046	43,276
Capitol lease obligation	824	983	1,072
Bond payable	178,566	162,158	162,349
Government advances for student loans	3,237	3,241	3,224
Asset retirement obligation	758	729	847
Total liabilities	259,278	234,601	232,230
Net assets:			
Unrestricted	262,518	244,907	211,540
Temporarily restricted	429,089	475,273	413,013
Permanently restricted	330,705	307,894	293,891
TOTAL NET ASSETS	**1,022,312**	**1,028,074**	**918,444**
TOTAL LIABILITIES AND NET ASSETS	**$ 1,281,590**	**$ 1,262,675**	**$ 1,150,674**

Financial Ratios

	Proforma FYE 6/30/15 (b)	2015	2014	2013
Debt service coverage (x)	2.33	4.17	2.70	2.97
Debt to expendable net assets (x)	0.26	0.26	0.23	0.26
Expendable net assets to operations (x)		6.66	7.15	6.40
Margin		19%	9%	10%

(a) Draft Financials, CMC's Audit Committee will meet on October 26th, 2015 for approval.
(b) Recalculates FY 2015 results to include the impact of this proposed financing.

Financial Discussion:

CMC has generated positive operating results and has demonstrated stable growth in its revenue base.

Over the review period, CMC's unrestricted net assets increased approximately 24%, from $211.5 million in FY 2013 to $262.5 million in FY 2015. CMC's largest source of total revenues, net student revenues, has provided a consistent revenue stream and grew by 13% from $52.6 million in FY 2013 to $59.5 million in FY 2015. Slight increases in tuition and enrollment numbers account for the increases in net student revenue. The noteworthy enrollment numbers jumped to 1,281 Full Time Equivalent (FTE) undergraduate students in 2015 from 1,250 FTE undergraduate students in 2013. According to CMC, new gifts to the College and releases of gifts previously restricted due to time or other temporary considerations also increased by 36.2%, from $24.4 million in FY 2013 to nearly $33.3 million in FY 2015.

Operating expenses for CMC totaled approximately $103.9 million in FY 2015, increasing nearly 6% from approximately $97.6 million in FY 2013. According to CMC, student services increased by 10% over the review period as a result of the write-off of the remaining undepreciated cost of Ducey Gym upon its demolition. Though there were fluctuations in increases of the various categories of expenses, instruction expenses increased nearly 7% from $34.5 million in FY 2013 to $36.7 million in FY 2015. The increase in total expenses is commensurate with growth in total revenues.

CMC demonstrates solid financial strength as reflected by CMC's total net asset growth, while the Statement of Financial Position demonstrates continued steady growth.

CMC's total net assets increased approximately 11.3% over the review period, from $918.4 million in FY 2013 to slightly over $1.0 billion in FY 2015. This growth can be primarily attributed to new gifts, the strong growth in investments, and new investments in plant facilities. Investments gained nearly 18% from approximately $728.0 million in FY 2013 to nearly $858.9 million in FY 2015. Positive performance in the financial markets accounted for big swings in the various categories of investments over the two-year period. Plant facilities increased roughly 33.8% from $186.5 million in FY 2013 to $249.5 million in FY 2015. Completion of construction and renovation of various capital projects were consistent with CMC's master plan adopted in 2012 by the CMC Board of Trustees.

Liabilities increased from $232.2 million in FY 2013 to $259.3 million in FY 2015. In December 2013, CMC signed the California Municipal Financing Authority Tax-Exempt Loan Agreement in the amount of $25 million. Under the agreement, CMC is permitted to make monthly draws from the project account through December 2016 to finance construction projects in line with their master plan. In FY 2015, CMC drew down approximately $17.9 million of the loan to fund approved projects.

With the proposed financing, CMC's proforma debt service coverage will be a very strong 2.33x. CMC's debt to expendable net assets is projected to be 0.26x. With the proposed refunding, CMC appears to be well positioned to continue meeting its long-term debt obligations.

IV. BACKGROUND:

General:

CMC is a non-profit, privately endowed, coeducational liberal arts college with an emphasis on economics, government, and international relations. Enrollment for the 2015-2016 academic year is approximately 1,347 full-time equivalent students, 1,326 of whom are undergraduate and 21 graduate students. CMC was founded in 1946 as Claremont Men's College, became coeducational in 1976, and was renamed in 1981 in honor of founding trustee Donald C. McKenna.

CMC's mission is to educate its students for thoughtful and productive lives and responsible leadership in business, government, and the professions, and to support faculty and student scholarship that contribute to intellectual vitality and the understanding of public policy issues. A focused mission, prominent faculty, the Marian Miner Cook Athenaeum speaker series, semester internship programs in Washington D.C. and the Silicon Valley, summer student internship programs, the Children's School at Claremont McKenna College, and ten on-campus research institutes are a few of the many distinguishing features of the College. The primary academic and residential campus consists of approximately 50 acres and 40 buildings.

CMC is a member of The Claremont Colleges, a consortium of five undergraduate colleges, two graduate schools, and a central coordinating institution, which share common resources that rival those at major universities. Modeled on the Oxford system in England, the consortium is located 35 miles east of Los Angeles at the foot of the San Gabriel Mountains.

Administration:

CMC is governed by a self-perpetuating Board of Trustees composed of not less than 25 and not more than 51 members. There are currently 45 trustees, including 36 regular trustees, three alumni trustees and two ex-officio trustees. Regular trustees are elected to renewable, three-year terms, and approximately one-third of the regular trustees are elected annually. Alumni trustees are elected to a single three-year term. The ex-officio trustees, who are the President of the Alumni Association and the President of the Parents Network, each serve a one-year term.

At the annual meeting, the Board of Trustees elects a Chair and one or more Vice Chairs to serve for one year. In addition to an Executive Committee, which acts for the Board between meetings, the Board has eight advisory committees which consist of: Academic Affairs, Audit and Compliance, Board Affairs, Buildings and Grounds, College Advancement, Finance, Investment, and Student Affairs. The full Board of Trustees meets at least four times a year.

Accreditation and Affiliations:

CMC is accredited by the Accrediting Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges ("WASC"), the primary accrediting body for institutions of higher education in the Western United States. The most recent WASC full accreditation process was completed in June of 2012.

Academic Programs:

CMC offers a liberal arts curriculum with 33 separate majors in twelve departments, including the W.M Keck Science Department. Interdisciplinary majors are available in a number of additional subjects through The Claremont Colleges consortium, as are options for independent study and combined-degree programs. Students may graduate with single, dual, double, or individualized majors. They may also elect to complete majors at any of the other undergraduate institutions within The Claremont Colleges.

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V. OUTSTANDING DEBT ($000's):

Issue:	Original Issue Amount	Amount Outstanding as of 06/30/2015	Estimated Amount Outstanding After Proposed Financing*
Existing Debt:			
CEFA, Series 2007	$ 40,425	$ 38,235	$ -
CEFA, Series 2009	83,095	83,095	-
CEFA, Series 2011	5,480	5,235	5,235
CEFA, Series 2012	30,000	29,460	29,460
CMFA, 2013 Tax-Exempt Loan	25,000	18,967	18,967
Proposed:			
CEFA, Series 2015			**125,000**
Total		$ 174,992	$ 178,662

*As of proposed issuance date of Series 2015 Bonds, principal balance remaining outstanding

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 applicable
- Iran Contracting Act Certificate

VII. STAFF RECOMMENDATION:

Staff recommends the Authority approve Resolution No. 306 in an amount not to exceed $125,000,000 for Claremont McKenna College 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 Public Financial Management, Inc., the Authority's financial advisor, concur with the Authority's staff recommendations.

EXHIBIT 1

Financing Team
Claremont McKenna College

Borrower:	Claremont McKenna College
Agent for Sale:	California State Treasurer
Issuer's Counsel:	Attorney General's Office
Issuer's Financial Advisor:	Public Financial Management, Inc.
Issuer's Financial Analyst:	Macias Gini & O'Connell, LLP
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Underwriter:	Prager & Co., LLC
Underwriter's Counsel:	Law Office of Rossi Russell
Borrower's Counsel:	General Counsel Claremont McKenna College
Auditor:	Moss Adams
Trustee/Escrow Bank:	MUFG Union Bank, N.A.
Trustee Counsel:	General Counsel MUFG Union Bank, N.A.
Verification Agent:	Causey Demgen & Moore P.C

RESOLUTION NO. 306

**RESOLUTION OF THE
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING THE ISSUANCE OF BONDS TO REFINANCE
EDUCATIONAL FACILITIES FOR
CLAREMONT MCKENNA COLLEGE**

October 29, 2015

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, Claremont McKenna College (the "Borrower") is a nonprofit public benefit corporation organized and existing under the laws of the State of California;

WHEREAS, the Authority has previously issued its Revenue Bonds (Claremont McKenna College) Series 2007 (the "2007 Bonds"), in the aggregate principal amount of $40,425,000, of which $38,235,000 currently is outstanding, and made a loan (the "2007 Loan") of the proceeds thereof to the Borrower to finance or refinance the acquisition or construction of projects, as more particularly described under the caption "2007 Project" in Exhibit A hereto (the "2007 Project");

WHEREAS, the Authority has previously issued its 5% Revenue Bonds (Claremont McKenna College) Series 2009 (the "2009 Bonds" and, together with the 2007 Bonds, the "Prior Bonds"), in the aggregate principal amount of $83,095,000, which amount is currently outstanding, and made a loan (the "2009 Loan" and, together with the 2007 Loan, the "Prior Loan") of the proceeds thereof to the Borrower to finance or refinance the acquisition or construction of projects, as more particularly described under the caption "2009 Project" in Exhibit A hereto (the "2009 Project" and, together with the 2007 Project, the "Prior 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 $125,000,000, 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:

<u>Section 1.</u> Pursuant to the Act, revenue bonds of the Authority designated as the "California Educational Facilities Authority Refunding Revenue Bonds (Claremont McKenna College) Series 2015" (the "Bonds"), in a total aggregate principal amount not to exceed $125,000,000, are hereby authorized to be issued from time to time, in one or more series, on a federally tax-exempt and/or taxable basis, 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 fifth recital above.

<u>Section 2.</u> 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.

<u>Section 3.</u> 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 MUFG Union Bank, N.A., a national banking association, as trustee (the "Trustee");

(c) the Purchase Contract relating to the Bonds (the "Purchase Contract"), among Prager & Co., LLC (the "Underwriter"), 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 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 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.

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, shall be as provided in the/each Indenture, as finally executed.

The Underwriter is 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 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 each issue of the Bonds (if more than one, collectively, the "Official Statement") to all actual purchasers of such Bonds.

The Underwriter is hereby authorized to distribute the Official Statement in paper and/or electronic form to persons who may be interested in purchasing the Bonds. The Underwriter will agree in the Purchase Contract to deliver a copy of the Official Statement to all actual purchasers of the Bonds.

Section 4. 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 Underwriter, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

Section 5. 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, the refunding, redemption and/or defeasance of the Prior Bonds, and otherwise to effectuate the purposes of this Resolution and the Indenture, Loan Agreement, Purchase Contract 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; (b) one or more escrow agreements or forms of escrow instructions with respect to the Prior Bonds, and (c) 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 6. The provisions of the Authority's Resolution No. 2014-03 apply to the documents and actions approved in this Resolution.

Section 7. 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 8. This Resolution shall take effect from and after the date of adoption.

Date of Adoption:_________________________.

EXHIBIT A

THE PROJECT

2007 Project

The 2007 Project consists of the acquisition, construction, installation, improvement, renovation, remodeling, replacement, furnishing and equipping of certain educational facilities consisting of:

(A) a portion of the net proceeds of the 2007 Bonds, together with other moneys of the Borrower, will be applied to refinance existing obligations of the Borrower evidenced by certain outstanding obligations of the Authority including:

(1) the refunding and defeasance of that portion of the Authority's Revenue Bonds (Pooled College and University Projects) 1995 Series A attributable to payments to be made by and to provide assistance to the Borrower, of which an aggregate principal amount of $2,385,000 was originally issued and $1,085,000 of which are currently outstanding, the proceeds of which were applied to refund the Authority's Insured Revenue Bonds (1987 Pooled Facilities), the proceeds of which were used to finance the construction and improvement of student apartments and the expansion of Emett Student Union to include Kitchen, serving area, dining room seating, lounge area, reading room, student store and student body offices; and

(2) the refunding and defeasance of a portion of the Authority's Revenue Bonds (Claremont McKenna College) Series 1999 in the aggregate principal amount of $24,000,000 of which $20,445,000 is currently outstanding, the proceeds of which were applied to (a) refund and defease the Authority's Revenue Bonds (Claremont McKenna College) Series 1997, the proceeds of which were applied to finance the acquisition, construction, rehabilitation, remodeling, renovation, and/or equipping of two Academic Expansion buildings, Benson Appleby, Green and Stark Residence Halls, student apartments located at 6th Street and Claremont Boulevard, Collins Dining Hall and Roberts Academic Hall, and major renovation projects of the other residence halls on campus; and (b) finance the costs of the acquisition, construction, renovation, remodeling and equipping of Boswell, Marks and Wohlford Residence Halls and Adams Academic Hall and boiler conversions for auxiliary enterprises; and

(B) the remaining net proceeds of the 2007 Bonds, together with other moneys of the Borrower, will be applied to finance the acquisition, construction, expansion, replacement, renovation, improvement and/or equipping of certain new educational facilities of the Borrower, including: (a) the construction and equipping of a new student dormitory located at Sixth Street and Amherst Street (Crown Hall); (b) the renovation and improvement of the Auen and Fawcett student dormitories located at Sixth Street and Mills Avenue; (c) the resurfacing and improvement of the athletic track located at Sixth Street and Mills Avenue; and (d) the acquisition, construction, renovation improvement and equipping of faculty and staff housing in the Arbol Verde neighborhood south of the Campus.

2009 Project

The 2009 Project consists of financing and/or refinancing the acquisition, construction, expansion, replacement, renovation, improvement and/or equipping of an approximately 162,000 square foot academic and administrative building located on North Columbia Avenue between Eighth Street and Ninth Street (the Kravis Center).