

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
BOND FINANCING PROGRAM**

EXECUTIVE SUMMARY

<p>Applicant: Mount Saint Mary's University (the "University") 12001 Chalon Road Los Angeles, CA 90049 Los Angeles County</p> <p>Facility Type: Private University</p> <p>Project Location: Los Angeles, CA</p> <p>Accreditation: Western Association of Schools and Colleges</p>	<p>Amount Requested: \$50,000,000</p> <p>Date Requested: July 26, 2018</p> <p>Resolution Number: 319</p>																								
<p>Use of Proceeds: Bond proceeds will be used to finance the acquisition, construction and renovation of campus facilities as well as acquire information technology equipment, facility equipment and furnishings. Bond proceeds will also be used to pay capitalized interest on the bonds, cost of issuance, and may provide for a debt service reserve fund for the Series 2018A and Series 2018B bonds.</p>																									
<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">Type of Issue:</td> <td>Tax-exempt and taxable, negotiated public offering</td> </tr> <tr> <td>Credit Enhancement:</td> <td>None</td> </tr> <tr> <td>Expected Credit Rating:</td> <td>A (S&P)</td> </tr> <tr> <td>Financing Team:</td> <td><i>Please see Exhibit 1 to identify possible conflicts of interest</i></td> </tr> </table>		Type of Issue:	Tax-exempt and taxable, negotiated public offering	Credit Enhancement:	None	Expected Credit Rating:	A (S&P)	Financing Team:	<i>Please see Exhibit 1 to identify possible conflicts of interest</i>																
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Financing Team:	<i>Please see Exhibit 1 to identify possible conflicts of interest</i>																								
<p>Environmental Benefits: The renovation of existing campus and campus-adjacent buildings, as opposed to demolition and new construction, will reduce environmental harm. Additionally, many of the projects, including installation of new windows and air conditioning units, will improve campus-wide energy efficiency.</p>																									
<p>Financial Overview: The University's robust growth in revenue contributed to the consistent generation of operating surpluses. The University has a strong balance sheet with low relative debt and a solid proforma debt service coverage ratio of 1.94x.</p>																									
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<p>Due Diligence: Staff has received and reviewed the Eligibility, Legal Review, Religious Due Diligence, and CEQA documentation, and the Iran Contracting Act Certification. All documentation satisfies the Authority's requirements.</p>																									
<p>Staff Recommendation: Staff recommends the Authority approve Resolution No. 319 in an amount not to exceed \$50,000,000 for Mount Saint Mary's University subject to a bond rating of at least investment grade by a nationally recognized rating agency. TAP International, Inc., the Authority's financial analyst, and KNN Public Finance, LLC ("KNN"), the Authority's financial advisor, concur with the Authority's staff recommendations.</p>																									

STAFF SUMMARY AND RECOMMENDATION

Mount Saint Mary’s University

July 26, 2018
Resolution No. 319

I. PURPOSE OF FINANCING: The University anticipates issuing tax-exempt and taxable bonds to finance the acquisition, construction, expansion, renovation, remodeling, furnishing and equipping of educational facilities and information technology equipment. Projects will help the University realize the five pillars of its strategic plan, including the promotion of innovative teaching and learning, global awareness and understanding, the provision of transformative education for women, fostering a sense of community, and also to promote the spirit of the founders, which was to educate women to reach their full potential and to equip them to respond to the unique challenges in their community.

Project Fund..... \$ 46,926,977

The University has two primary campus locations; Chalon campus and Doheny campus. Approximately half of the University’s students attend the Chalon campus as their primary educational environment, and it is the home of the University’s traditional undergraduate baccalaureate degree programs. Student housing is located on both campuses.

Chalon Campus—Various projects will take place on the Chalon campus, including but not limited to: utility, dormitory, library, classroom, and science lab upgrades as well as renovations to the dining commons area for students, Chalon Café.

Doheny Campus—Various projects will take place on the Doheny campus, including but not limited to: dormitory, library, classroom, security, lighting, and Donahue Center upgrades, as well as renovations to the dining commons area for students, Doheny Café. The University will relocate a coffee cart/coffee house to the library. In addition, the University may use some bond proceeds to purchase various buildings adjacent to the Doheny campus for the purpose of adding office space.

General Improvements—The University will also perform general upgrades to both campuses, including but not limited to: landscaping, information technology upgrades and maintenance to administration buildings.

Capitalized Interest Fund.....3,670,971

*Debt Service Reserve Fund*¹.....3,161,480

¹ If borrower receives a credit rating of “A,” a debt service reserve fund will not be utilized.

Environmental Benefits:

Many of the new projects, including new windows, new air conditioning units, and other system upgrades, will result in improved energy efficiency. Renovating existing buildings on campus is expected to have less environmental impact than would demolition and construction of new facilities.

Financing Costs	<u>479,119</u>
Costs of Issuance.....	250,000
Underwriter's Discount.....	<u>229,119</u>
<i>TOTAL ESTIMATED USES OF FUNDS</i>	<u>\$54,238,547</u>

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II. PROPOSED COVENANTS, SECURITY AND DISCLOSURES:

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

After reviewing the University's credit profile, including its current financial profile, prior bond transactions and considering what the market will support, the University, the Authority's financial advisor, KNN, and the underwriter of the proposed bonds have concluded that the covenants listed below should be applicable to this transaction. The University, the underwriter, and KNN note that the current financial situation of the University 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 Revenue² 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.*
- ✓ **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.*

Staff has completed its due diligence, and KNN has reviewed the Loan Agreement, Bond Indenture, and prior University offering documents associated with this financing package and found these documents and proposed covenants to be acceptable.

² Capitalized terms defined in the Indenture.

III. FINANCIAL ANALYSIS:

Mount Saint Mary's University
Statement of Activities
 Unrestricted

	As of June 30		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating Activities			
Operating revenues, gains and other support			
Tuition and fees, net	\$ 100,897,870	\$ 96,565,418	\$ 90,853,038
Less:			
Unfunded institutional aid	(28,907,834)	(27,395,013)	(25,065,622)
Funded aid from institutional resources	(3,618,356)	(3,384,258)	(3,314,479)
Funded aid from governmental resources	(177,071)	(278,756)	(265,827)
Net tuition and fees	<u>68,194,609</u>	<u>65,507,391</u>	<u>62,207,110</u>
Auxiliary enterprises--sales and services	8,979,450	8,682,655	7,857,984
Federal and state grants	2,833,933	3,565,704	4,347,571
Private gifts and grants	553,295	595,542	551,595
Investment income	43,756	81,259	82,772
Endowment distributed to operations	1,846,889	1,564,514	1,340,646
Da Camera Society	602,065	689,547	674,461
Other sources	<u>1,118,976</u>	<u>1,302,844</u>	<u>813,053</u>
Operating revenues before net assets released from restrictions	84,172,973	81,989,456	77,875,192
Net assets released from restrictions-operations	<u>6,618,731</u>	<u>5,383,085</u>	<u>5,505,804</u>
Total Operating Revenues, Gains and Other Support	<u>90,791,704</u>	<u>87,372,541</u>	<u>83,380,996</u>
Operating expenses			
Program expenses			
Instruction	30,399,916	27,494,062	26,075,738
Academic support	6,590,209	5,961,426	5,998,464
Public support	1,523,636	925,946	808,635
Student services	11,380,747	11,678,887	10,603,213
Auxiliary enterprises	6,779,167	6,604,723	6,094,497
Support expenses			
Institutional support	13,885,472	14,948,590	13,964,906
Allocable expenses			
Operation and maintenance of plant	4,926,062	4,969,740	4,561,059
Safety and security	1,213,322	1,170,536	1,121,005
Depreciation, interest and fees	4,124,922	4,008,129	3,869,336
Information technology	<u>7,911,760</u>	<u>8,438,435</u>	<u>8,117,161</u>
Total Operating Expenses	<u>88,735,213</u>	<u>86,200,474</u>	<u>81,214,014</u>
Change in Net Assets from Operating Activities	<u>2,056,491</u>	<u>1,172,067</u>	<u>2,166,982</u>
Non-operating activities			
Long-term investment activities			
Investment income	398,029	525,732	198,613
Net gains/(losses) on investments	<u>6,345,614</u>	<u>(2,809,560)</u>	<u>(236,330)</u>
Total long-term investment income (loss)	6,743,643	(2,283,828)	(37,717)
Less: Endowment distributed to operations	<u>(1,846,889)</u>	<u>(1,564,514)</u>	<u>(1,340,646)</u>
Non-operating long-term investment activities	4,896,754	(3,848,342)	(1,378,363)
Net assets released from restrictions-plant	<u>193,968</u>	<u>405,375</u>	<u>346,144</u>
Change in Net Assets from Non-operating Activities	<u>5,090,722</u>	<u>(3,442,967)</u>	<u>(1,032,219)</u>
Change in Net Assets	7,147,213	(2,270,900)	1,134,763
NET ASSETS, BEGINNING OF YEAR	<u>122,349,090</u>	<u>124,619,990</u>	<u>123,485,227</u>
NET ASSETS, END OF YEAR	<u>\$ 129,496,303</u>	<u>\$ 122,349,090</u>	<u>\$ 124,619,990</u>

Mount Saint Mary's University
Statement of Financial Position

	As of June 30		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 12,005,787	\$ 11,579,491	\$ 16,882,305
Receivables, net:			
Student Loans, tuition and other	3,416,082	3,967,321	3,999,854
Contributions	944,041	842,037	527,948
Deposits, supplies and prepaid expenses	686,252	593,009	617,747
Total current assets	17,052,162	16,981,858	22,027,854
Long-term assets:			
Cash and cash equivalents-restricted Wellness Pavilion project	\$ 9,839,846	\$ 3,479,894	\$ -
Receivables, net:			
Student loans, tuition and other	5,112,444	5,376,075	5,836,333
Contributions	710,820	758,981	11,091,412
Contributions for Wellness Pavilion project	8,296,342	10,091,810	-
Investments	140,012,001	127,795,693	133,203,948
Beneficial interest in funds held in trust	88,070	335,357	335,357
Property, plant and equipment, net	74,960,151	72,034,880	70,453,655
Total long-term assets	239,019,674	219,872,690	220,920,705
Total assets	256,071,836	236,854,548	242,948,559
LIABILITIES AND NET ASSETS:			
Current liabilities:			
Accounts payable	\$ 3,131,541	\$ 2,841,976	\$ 2,515,890
Accrued payroll and payroll taxes	3,830,646	5,504,803	4,736,281
Deposits and deferred revenues	5,101,592	4,906,387	5,009,365
Accrued liabilities	510,182	329,029	320,500
Annuities payable	72,952	77,536	89,963
Total current liabilities	\$ 12,646,913	\$ 13,659,731	\$ 12,671,999
Long-term liabilities:			
Annuities payable	\$570,781	\$402,710	\$509,645
Federal student loan obligations	546,831	537,881	520,253
Other long-term debt	-	-	3,000,000
Total long-term liabilities	1,117,612	940,591	4,029,898
Total liabilities	13,764,525	14,600,322	16,701,897
Net assets:			
Unrestricted	129,496,303	122,349,090	124,619,990
Temporarily restricted	58,981,153	46,723,734	49,903,513
Permanently restricted	53,829,855	53,181,402	51,723,159
TOTAL NET ASSETS	242,307,311	222,254,226	226,246,662
TOTAL LIABILITIES AND NET ASSETS	\$ 256,071,836	\$ 236,854,548	\$ 242,948,559

Financial Ratios

	Proforma			
	<u>FYE 6/30/17</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt service coverage (x)	1.94	523.58	1.64	29.07
Debt to expendable net assets (x)	0.27	0.00	0.00	0.02
Expendable net assets to operations (x)	2.19	2.32	1.96	2.15
Margins		2%	1%	3%

Financial Discussion:

The University's robust growth in revenue contributed to the consistent generation of operating surpluses.

The University posted positive operating results over the three-year review period. Total operating revenues, gains and other support grew from nearly \$83.4 million in FY 2015 to approximately \$90.8 million in FY 2017, an 8.9% increase. According to the University, the increase in operating revenues has been driven by a combination of board-approved tuition increases as well as increases in enrollment. Revenue increases are in line with the University's board-approved net tuition rate increases, resulting in consistent growth in net tuition and fees. Together these sources represent nearly 84% of the University's total unrestricted revenues and continue to provide the University with a sound revenue base.

Total operating expenses for the University increased from approximately \$81.2 million in FY 2015 to \$88.7 million in FY 2017, an increase of 9.3%. Instruction, Academic Support and Student Services expenses increases can be attributed to new academic programs and services for students, combined with annual salary increases and the creation of new positions. Although expenses have increased, they are well below the growth of revenues and the University continues to post positive operating results.

The University has a strong balance sheet with low relative debt and a solid proforma debt service coverage ratio of 1.94x.

The University's total net assets increased from approximately \$226.2 million in FY 2015 to approximately \$242.3 million in FY 2017, an increase of 5.4%. According to the University, the growth was attributable to operating surpluses, donor gifts and contributions as well as positive market returns.

Cash and cash equivalents went from nearly \$16.9 million in FY 2015 to about \$12 million in FY 2017, a decrease of about 28.9%. According to the University, this was due to the University transferring \$10 million in operating cash to the University endowment and also repaying a \$3 million loan to the Sisters of Saint Joseph of the Carondelet Los Angeles, its founding organization, net of cash increases related to annual cash operating surpluses.

The University's investments realized gains, growing from about \$133.2 million to about \$140.0 million, approximately 5.1%. According to the University, this was due to favorable investment market returns. Additionally, total long-term liabilities decreased 72% from FY 2015 to FY 2017 from approximately \$4.0 million to roughly \$1.1 million. According to the University, this was due to paying off the above mentioned \$3 million note to the Sisters of Saint Joseph in full in FY 2016.

The University's debt service coverage appears solid with a strong ratio of 523.58x for FY 2017. The debt service coverage ratio is so high because the University paid a relatively low amount for debt service (approximately \$11,800 in interest) compared to the income available for debt service (roughly \$6.2 million). With the new bond financing, the University's proforma debt service coverage ratio will drop to a still solid 1.94x. The University's balance sheet indicates that it is capable of carrying the additional debt.

IV. BACKGROUND:

General:

Mount Saint Mary's University (the "University") is an independent, Catholic, non-profit, liberal arts university founded in 1925 by the Sisters of Saint Joseph of the Carondelet Los Angeles Province, a religious community of the Roman Catholic church. The University provides undergraduate education for women as well as graduate programs for professional men and women on two campuses in Los Angeles, CA. In 1928, it moved to its Chalon campus and in 1962, it opened its Doheny campus. The Doheny campus complements the original Chalon campus by offering numerous graduate programs, a Weekend and Evening College for working adults who want to earn a baccalaureate degree, education certificate programs, and a doctorate in Physical Therapy. Since its founding, the University has graduated 24,984 students. The enrollment for the 2017-2018 fall term was 3,130 full-time equivalent students, which consists of 1,816 traditional undergraduates, 615 non-traditional undergraduates, 601 graduate students, and 98 doctorate of physical therapy students. The undergraduate programs are primarily for women and the graduate programs are open to both men and women.

Administration:

The University is governed by a Board of Trustees (the "Board") composed of 27 elected members whom are elected annually for three-year terms, as well as emeritus trustees, and an ex-officio member. The Ex-officio member is the University President. The Board normally meets four times each year. The Board is led by the Board Officers, a Chairman, a Vice Chairman and a Secretary/Treasurer, each of whom is a member of the Board and is elected for a one-year term. The Board has ten standing committees, including an Executive Committee. These committees are permitted to act for the Board pursuant to the University's Bylaws (Article VI, Section 17).

Accreditations:

The University is accredited by the Accrediting Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges. The latest ten-year reaccreditation took place in March 2014. The following special commissions and boards have accredited specific programs at the University: the California Commission on Teaching Credentialing, the Commission on Collegiate Nursing Education, and the commission on Accreditation in Physical Therapy Education.

Academic Programs:

The University's academic programs place a strong emphasis on social and ethical values consistent with the Catholic view of compassionate community involvement. The University offers education in both liberal arts and sciences and is organized into five academic areas: (1) undergraduate bachelors programs; (2) graduate programs; (3) doctorate of physical therapy; (4) weekend/evening college and online programs; and (5) nursing. The University offers advanced degrees in business, creative writing, nursing, health policy and management, education, psychology, religious studies, humanities and film & television. Academic programs are enhanced by an emphasis on building leadership skills and fostering a spirit to serve others. The University measures its success by graduates who are committed to using their knowledge and skills to better themselves, their environment and the world.

V. OUTSTANDING DEBT:

	<u>Original Issue Amount</u>	<u>Amount Outstanding as of 6/30/17</u>	<u>Estimated Amount Outstanding After Proposed Financing</u>
Existing Debt:			
		\$ -	-
<i>Proposed:</i>			
CEFA, Series 2018 A&B		-	<u>\$ 50,000,000</u>
Total		<u>\$ -</u>	<u>\$ 50,000,000</u>

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
- Iran Contracting Act Certificate

VII. STAFF RECOMMENDATION:

Staff recommends the Authority approve Resolution No. 319 in an amount not to exceed \$50,000,000 for Mount Saint Mary’s University subject to a bond rating of at least investment grade by a nationally recognized rating agency. TAP International, Inc., the Authority’s financial analyst, and KNN the Authority’s financial advisor, concur with the Authority’s staff recommendations.

EXHIBIT 1

Financing Team

Mount Saint Mary's University

Borrower: Mount Saint Mary's University

Agent for Sale: California State Treasurer

Issuer's Counsel: Attorney General's Office

Issuer's Financial Advisor: KNN Public Finance, LLC

Issuer's Financial Analyst: TAP International, Incorporated

Borrower's Financial Advisor: Public Financial Management LLC

Borrower's Counsel: Gordon Rees Scully Mansukhani, LLP

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP

Underwriter: Wells Fargo Bank, N.A.

Underwriter's Counsel: Locke Lord LLP

Trustee: U.S. Bank, National Association

Trustee's Counsel: Dorsey & Whitney LLP

Rating Agency: Standard & Poor's Financial Services LLC

Auditor: Baker Tilly Virchow Krause, LLP

RESOLUTION NO. 319

RESOLUTION OF THE CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS TO FINANCE PROJECTS AT THE EDUCATIONAL FACILITIES OF MOUNT SAINT MARY'S UNIVERSITY

July 26, 2018

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

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 \$50,000,000, to (i) make one or more loans of the proceeds of the Bonds (as defined below) to the Borrower to acquire and construct projects (as defined in the Act), as more particularly described under the caption "Project" in Exhibit A hereto (the "Project"), (ii) pay capitalized interest on the Bonds, (iii) pay costs of issuance of the Bonds, and (iv) 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:

Section 1. Pursuant to the Act, revenue bonds of the Authority designated as the "California Educational Facilities Authority Revenue Bonds (Mount Saint Mary's University), Series 2018A" and "California Educational Facilities Authority Revenue Bonds (Mount Saint Mary's University), Series 2018B" (the "Bonds"), in a total aggregate principal amount not to exceed \$50,000,000, are hereby authorized to be issued from time to time, in one or more series, with such other name or names of the Bonds or series thereof as designated in the Indenture,

hereinafter mentioned below, pursuant to which the Bonds will be issued. The proceeds of the Bonds shall be used for any or all of the purposes set forth in the fourth recital above.

Section 2. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to enter into agreements to sell the Bonds in one or more series, on one or more sale dates at any time within one year of the date of adoption of this Resolution, at public or private sale, in such aggregate principal amount (not to exceed the aggregate principal amount set forth in Section 1) and in such series, at such prices, at such interest rate or rates, with such maturity date or dates and upon such other terms and conditions as the Treasurer, with the advice and consent of the Borrower, may determine. The Bonds, at issuance, shall be rated at investment grade by an active nationally recognized rating agency. The 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.

Section 3. The following documents:

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

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

(c) the Bond Purchase Agreement, including the appendices thereto, relating to the Bonds (the “Bond Purchase Agreement”), among Wells Fargo Bank, National Association (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 Bond Purchase Agreement and by delivery thereof in the case of the Preliminary Official Statement. The Executive Director shall seek the advice of bond counsel and counsel to the Authority with respect to any such insertions, deletions or changes therein.

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

Section 5. The 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 (the “Official Statement”) to all actual purchasers of such Bonds.

Section 6. The Bonds, when executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or upon direction of the 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 7. Each officer of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things which they may deem necessary or advisable in order to consummate the issuance, sale, and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the Indenture, Loan Agreement, Bond Purchase Agreement and Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) a tax certificate and agreement and other certifications; and (b) any agreement or commitment letter with respect to the provision of bond insurance, a letter of credit, a surety bond, a credit facility and/or a liquidity facility for the Bonds.

Section 8. The provisions of the Authority’s Resolution No. 2017-01 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

Project

The Project means the financing the acquisition, construction, expansion, rehabilitation, renovation, remodeling, furnishing and equipping of residence halls, academic buildings, administrative buildings, athletic facilities, recreational facilities, information technology equipment and the infrastructure improvements relating thereto, located on or adjacent to the Chalon campus of the Borrower, the street address of which is 12001 Chalon Road, Los Angeles, California 90049 (bounded generally by North Bundy Drive, Chalon Road, and Getty Center Drive) or on or adjacent to the Doheny Campus of the Borrower, the street address of which is 10 Chester Place, Los Angeles, California 90007 (bounded generally by West Adams Boulevard, South Figueroa Street, West 23rd Street, and Scarff Street), to the extent the acquisition, construction, expansion, rehabilitation, renovation, remodeling, furnishing and equipping has complied with Division 13 (commencing with Section 21000) of the California Public Resources Code or is not a project under that division, and any eligible working capital related thereto.