

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
BOND FINANCING PROGRAM
EXECUTIVE SUMMARY**

Applicant: Dominican University of California (Dominican or Borrower) 50 Acacia Avenue San Rafael, CA 94901 Marin County		Amount Requested: \$40,000,000 Date Requested: October 30, 2025 Resolution Number: 335
Facility Type: Private University Project Sites: See Exhibit 1 Accreditation: Western Association of Schools and Colleges Prior Borrower: Yes (last CEFA issuance December 2007)		
Background: Dominican was originally established in 1890 as an all-women’s college and was the first Catholic college in California to grant the Bachelor of Arts degree to women. Dominican became coeducational in 1971. Dominican’s three academic schools – the Barowsky School of Business, the School of Health and Natural Sciences, and the School of Liberal Arts and Education – collectively offer 23 bachelor’s degrees, 16 master’s degrees, and two doctoral degrees.		
Use of Proceeds: Bond proceeds will primarily be used to refinance Dominican’s tax-exempt loan with the Bank of Marin. Bond proceeds will also be used for ongoing capital expenditures and to replace the roof on certain campus buildings to allow for solar panel installation.		
Type of Issue: Limited public offering, tax-exempt and taxable fixed rate Expected Credit Rating: Unrated - (see Guidelines discussion, Page 3) Financing Team: See Exhibit 2 to identify possible conflicts of interest		
Financial Overview: Dominican’s income statement appears to reflect improvements in net income in spite of operating losses during the review period. Dominican appears to display a positive balance sheet with a proforma FY 2024 net debt service coverage ratio of 1.7x.		
<u>Estimated Sources of Funds</u>		<u>Estimated Uses of Funds</u>
Bond Proceeds	\$ 40,000,000	Refinance \$ 21,613,938
		New Money 14,633,812
		Debt Service Reserve Fund 2,952,250
		Financing Costs 800,000
Total Estimated Sources	<u>\$ 40,000,000</u>	Total Estimated Uses <u>40,000,000</u>
Due Diligence: Staff has confirmed the following documentation provided by Dominican satisfies the California Educational Facilities Authority’s (Authority) requirements: Eligibility, Legal Review, the California Environmental Quality Act, and the certification for the Iran Contracting Act.		
Staff Recommendation: Staff recommends the Authority approve Resolution No. 335 authorizing the issuance of bonds in an amount not to exceed \$40,000,000 for the Dominican University of California, subject to the terms and conditions in the resolution. TAP International Inc., the Authority’s financial analyst, and KNN Public Finance, LLC, the Authority’s municipal advisor, concur with the Authority’s staff recommendations.		

Disclaimer: Any information related to the borrower, including any data or analysis related to the borrower’s financial condition or ability to repay the financing, described in this staff report is based on information provided by the borrower and was prepared solely for members of the Authority’s Board and to satisfy certain provisions of the California Educational Facilities Authority Act (Ed. Code, §94100 et seq.). Prospective investors should not rely on information in this staff report and must read the entire Preliminary Official Statement to obtain information essential to the making of an informed investment decision.

STAFF SUMMARY, ANALYSIS, AND RECOMMENDATION

I. PURPOSE OF FINANCING

Dominican is requesting the Authority to issue tax-exempt bonds in an amount not to exceed \$40,000,000. Proceeds of the bonds will be lent to Dominican to refinance a loan with the Bank of Marin issued through the California Enterprise Development Authority (CEDA). Dominican is Bank of Marin's largest debtor, and the loan with Bank of Marin is Dominican's only existing debt. The refinancing will allow Dominican to diversify its debt across multiple banks and lower the risk of one bank holding its entire debt. Dominican does not expect any savings from the refinancing. Dominican also intends to use a portion of the bond proceeds to finance ongoing capital expenditures and to replace the roof on a majority of the buildings on Dominican's campus to allow for solar panel installation. Although it is unlikely taxable bonds will be issued, the bond documents contemplate the option of taxable bonds to provide Dominican with added flexibility in structuring the financing. A detailed description of Dominican's use of the Authority's loan is below.

Refinance \$21,613,938

Bond proceeds will be loaned to Dominican to refinance the existing loan with Bank of Marin, which originated in December 2021 and was used to refinance a previous loan issued through CEDA in 2017. The original loan proceeds were used to improve the core campus and surrounding dormitories.

New Money 14,633,812

Bond proceeds will also be loaned to Dominican for ongoing capital expenditures at certain educational facilities and to finance the costs of new roofing on a majority of the buildings on Dominican's campus to allow for solar panel installation, which will provide cost savings for the university.

Debt Service Reserve Fund 2,952,250

Given Dominican's credit category, a debt service reserve fund (DSRF) will be required as additional security. The DSRF will also assist in the marketing of the bonds and help lower the overall cost of the transaction.

Financing Costs 800,000

Cost of Issuance	\$400,000
Underwriter's Discount	<u>400,000</u>

TOTAL USES OF FUNDS..... \$40,000,000

I. GUIDELINES DISCUSSION:

The CEFA Series 2025 bonds (the 2025 Bonds) will be an unrated, limited public offering. The following are the Authority's standard issuance guidelines for unrated debt:

- Must be privately placed with and transferred only to a "Qualified Institutional Buyer" (QIB) as defined by SEC Rule 144A, promulgated under the Securities Act of 1933*;
- Minimum denomination of \$250,000;
- Unconditional Promise to Pay from Borrower;
- Investor Letter required at issuance;
- Bond transfer restrictions must be noted conspicuously on the bond itself; and
- Bonds must be physically delivered.*

All of the foregoing requirements are designed to maximize the likelihood that the unrated 2025 Bonds will be sold to a more sophisticated investor given the higher risk typically perceived to be associated with unrated debt.

* Dominican has requested the following exceptions to the Authority's standard issuance guidelines for unrated debt:

- The 2025 Bonds will be sold in a Limited Public Offering to up to ten QIBs¹, each of which will make an independent credit determination prior to purchasing the 2025 Bonds.
- In lieu of physical delivery of the 2025 Bonds, Dominican is requesting book-entry with the Depository Trust Company.

¹ The Limited Public Offering will allow Dominican to diversify its debt across multiple investors and lessen the risk associated with one bank holding all of its debt.

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 an Authority board meeting.

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

- ✓ **Unconditional Promise to Pay.** *Borrower agrees to pay to the Trustee all amounts required for principal and interest and other payments and expenses designated in the Loan Agreement. All Revenues² and any other amounts held in a designated fund or account under the Indenture are pledged to secure the full payment of the bonds.*
- ✓ **Pledge of Gross Revenues.** *Borrower pledges to deposit all revenues, income, receipts, and money received into a Gross Revenues Fund and will enter into a deposit account control agreement with the Trustee and the Borrower's depository(ies) with respect to the deposit account(s) comprising such Fund.*
- ✓ **Debt Service Coverage Requirement.** *Borrower agrees to maintain a ratio of 1.15/1.00 measuring the Borrower's ability to make interest and principal payments as they become due by assessing the amount of revenue available to meet debt service payments.*
- ✓ **Disposition of Property Limitations.** *Borrower agrees not to sell, lease, or dispose of substantially all assets unless authorized by the Loan Agreement.*
- ✓ **Comply with SEC Rule 15c2-12.** *The rule prohibits underwriters from underwriting municipal bond deals unless the issuer or borrower contractually agrees to disclose designated financial and operating information to the marketplace during the life of the bonds and to report designated "material events" such as missed debt service payments, any change in bond ratings, defeasance, redemptions, etc. Borrower will undertake all responsibility for continuing disclosure to bondholders.*
- ✓ **Liquidity Covenant.** *Borrower agrees to maintain a ratio of 0.15/1.00 measuring the Borrower's financial assets against its parity debt.*
- ✓ **Additional Debt Test.** *The Borrower agrees that it will not, except for nonrecourse debt, incur any additional debt unless it certifies that it meets a minimum Gross Revenues to debt ratio as set forth in the Loan Agreement.*

² Capitalized terms are defined in the Indenture.

- ✓ **Negative Pledge.** *The Borrower agrees that it will not create, assume or suffer to exist any lien, mortgage, pledge, charge, security interest or encumbrance upon the Pledged Collateral other than Permitted Liens.*
- ✓ **Deed of Trust.** *The Borrower has pledged, as additional security for its payment of the Bonds and its performance under the bond documents, a deed of trust in certain property of the Borrower.*

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

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III. FINANCIAL ANALYSIS

Dominican University of California Statement of Activities

	Year Ended June 30,		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
OPERATING REVENUE AND GAINS			
Tuition and fees, net	\$ 42,582,583	\$ 41,103,026	\$ 41,121,439
Private gifts and grants	2,849,229	546,900	585,587
Gifts in-kind	14,701	774	1,015
Government grants and programs	2,158,621	1,730,367	4,725,037
Endowment income allocation for operations	148,993	6,484	7,876
Endowment return to nonoperating	-	-	(1,850,000)
Net investment income	110,101	49,215	6,129
Sales and services of auxiliary enterprises	8,453,115	7,895,059	7,218,654
Other revenue	1,954,735	2,634,586	1,840,591
Net assets released from restrictions	3,502,343	2,931,285	2,186,933
	<u>61,774,421</u>	<u>56,897,696</u>	<u>55,843,261</u>
EXPENSES			
Salaries and benefits	41,961,114	40,945,814	40,251,610
Student related expenses	3,344,000	2,958,582	2,628,280
Grants to students	-	45,100	1,692,932
Outside and professional services	5,156,056	4,787,441	4,504,897
Travel and entertainment	1,750,793	1,715,472	1,130,342
Marketing and advertising	602,265	689,112	776,544
Repairs and maintenance	3,613,329	3,990,415	3,633,788
Conferences, dues, and membership fees	983,560	908,569	844,572
Utilities	1,863,375	1,583,736	1,525,094
Depreciation and amortization	3,223,945	3,300,177	3,368,555
Bad debts	340,145	282,598	37,840
Other expenses	568,373	890,157	692,367
Interest expense	1,104,802	1,128,458	1,164,868
Total expenses	<u>64,511,757</u>	<u>63,225,631</u>	<u>62,251,689</u>
Net (decrease) increase from operations	<u>(2,737,336)</u>	<u>(6,327,935)</u>	<u>(6,408,428)</u>
NONOPERATING REVENUE AND GAINS (LOSSES)			
Contributions and gifts	-	-	-
Endowment income (loss) allocation for operations	(148,993)	(6,484)	(7,876)
Endowment return from operations	-	-	1,850,000
Net investment income (loss)	205,527	138,371	(18,341)
Net assets transferred	3,500,000	-	-
Gain on sale of property	-	2,392,373	-
Total nonoperating revenue and gains (losses)	<u>3,556,534</u>	<u>2,524,260</u>	<u>1,823,783</u>
CHANGES IN NET ASSETS	819,198	(3,803,675)	(4,584,645)
NET ASSETS, beginning of year	<u>32,420,798</u>	<u>36,224,473</u>	<u>40,809,118</u>
NET ASSETS, end of year	<u>\$ 33,239,996</u>	<u>\$ 32,420,798</u>	<u>\$ 36,224,473</u>

Dominican University of California
Statement of Financial Position

	As of June 30,		
	2024	2023	2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 908,159	1,514,644	\$ 1,874,956
Accounts receivables, net	1,599,822	2,609,234	1,762,039
Contributions receivable, net	372,834	1,074,923	1,697,009
Prepaid expenses and other assets	1,618,798	1,851,633	1,714,256
Total current assets	4,499,613	7,050,434	7,048,260
NONCURRENT ASSETS			
Restricted cash	1,497,050	2,065,021	3,174,135
Funds held by trustee	2,000,000	2,000,000	2,000,000
Investments	27,681,552	30,460,601	30,090,907
Contributions receivable, net of current portion	1,067,623	97,485	644,545
Notes receivable, net	206,322	191,120	236,420
Beneficial interest in trusts	671,748	625,218	604,346
Property, plant, and equipment, net	74,547,469	74,209,546	71,134,362
Assets of discontinued operations	-	-	451,860
Operating lease right-of-use asset	2,133,442	2,765,154	3,336,375
Total noncurrent assets	109,805,206	112,414,145	111,672,950
Total assets	\$ 114,304,819	\$ 119,464,579	118,721,210
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 5,730,176	\$ 7,737,903	\$ 5,122,085
Deferred revenues	3,115,831	3,752,530	2,630,142
Note Payable	892,438	855,355	824,615
Operating lease obligation	751,099	729,222	688,060
Total current liabilities	10,489,544	13,075,010	9,264,902
LONG-TERM LIABILITIES			
Asset retirement obligation	439,999	418,250	397,576
Federal grants refundable	242,675	285,540	308,717
Notes payable, net of current portion	21,504,604	22,342,152	23,142,573
Financial liability, net of amortization transaction	4,288,145	4,295,691	4,299,574
Operating lease obligation, net of current portion	1,487,351	2,129,740	2,644,107
Liabilities of discontinued operations	-	-	451,860
Total long-term liabilities	27,962,774	29,471,373	31,244,407
Total liabilities	38,452,318	42,546,383	40,509,309
NET ASSETS			
Without donor restrictions	33,239,996	32,420,798	36,224,473
With donor restrictions			
Time or purpose restricted gifts	16,498,257	15,791,824	13,891,356
Accumulated perpetual endowment gains	2,872,839	2,208,421	1,970,613
Perpetual endowment	23,241,409	26,497,153	26,125,459
Total net assets with donor restrictions	42,612,505	44,497,398	41,987,428
Total net assets	75,852,501	76,918,196	78,211,901
Total liabilities and net assets	\$ 114,304,819	\$ 119,464,579	118,721,210

	Proforma^(a)			
	FYE 6/30/24	2024	2023	2022
Debt service coverage - Operating (x)	0.5	0.8	(1.0)	(1.0)
Debt service coverage - Net (x)	1.7	2.6	0.3	(0.0)
Debt to expendable net assets (x)	0.8	0.5	0.5	0.5
Expendable net assets to operations (x)		0.8	0.8	0.8
Margin (%)		(4.4)	(11.1)	(11.5)

^(a) Recalculates FY 2024 results to include the impact of this proposed financing.

Financial Discussion:

Dominican's income statement appears to reflect improvements in net income in spite of operating losses during the review period.

Over the review period, Dominican's total revenues increased at a faster rate than total expenses (10.6% versus 3.6%) but still resulted in operating losses in each year. In FY 2022, expenses exceeded revenues by over \$6.4 million, then losses decreased slightly to just over \$6.3 million in FY 2023. After new management was hired at the end of FY 2023, net operating losses decreased to just over \$2.7 million in FY 2024. Net income/Changes in Net Assets improved from losses of nearly \$4.6 million in FY 2022 and approximately \$3.8 million in FY 2023 to a gain of about \$819,000 in FY 2024, mostly due to a one-time endowment distribution. The distribution amount was approved to cover renovation expenses of the Center for Dominican Experience building but did not impact the original endowment balance. Dominican's largest revenue source, tuition and fees, experienced a modest increase of 3.6% from about \$41.1 million in FY 2022 to nearly \$42.6 million in FY 2024. The increase was driven by growth in the graduate and online programs. Dominican plans to continue growing online and graduate programs in coming years, while rightsizing the undergraduate population. Dominican's management notes that while the decline in undergraduate enrollment due to certain programs sunseting may reduce net tuition growth, it will have a corresponding reduction in expenses. Dominican's largest revenue decrease was in government grants and programs, which decreased from over \$4.7 million in FY 2022 to just over \$1.7 million in FY 2023 and then increased to over \$2.1 million in FY 2024. The fluctuations were caused by the ending of certain COVID-19 pandemic relief programs. However, revenue improvements were made in private gifts and grants from approximately \$547,000 in FY 2023 to over \$2.8 million in FY 2024. The improvements were the result of Dominican's intentional strategy to engage donors with the capacity to give significant gifts and legacy assets.

Although Dominican experienced operating losses, the organization has kept total expenses under control with slight increases of 1.6% from FY 2022 to FY 2023 and 2% from FY 2023 to FY 2024. Overall, Dominican's total expenses increased by only 3.6% over the review period. Dominican's management explained that many of the increased expenses were out of its control, such as the increased costs of utilities and insurance. These expenses were offset by management in several different areas. Salaries and benefits, Dominican's largest expense, grew modestly by only \$1.7 million over the review period, from nearly \$40.3 million in FY 2022 to almost \$42 million in FY 2024. Marketing and advertising decreased by 22.5% over the review period from approximately \$776,000 in FY 2022, down to approximately \$689,000 in FY 2023, then decreased further to just over \$602,000 in FY 2024. Dominican is systemically reviewing all programs, and making cuts in areas that are underperforming, while also ensuring compensation for faculty keeps up with the cost of living. The largest increases were in student related expenses from over \$2.6 million in FY 2022 to almost \$3 million in FY 2023 to over \$3.3 million in FY 2024. These increases were due to continued investment in the student experience, a key differentiator for Dominican. This also coincides with the funding of the Center for Dominican Experience, a student services center.

Dominican appears to display a positive balance sheet with a proforma FY 2024 net debt service coverage ratio of 1.7x.

Dominican's cash and cash equivalents decreased sharply from over \$1.8 million in FY 2022 to just over \$908,000 in FY 2024. According to Dominican's management, cash and cash equivalents decreased due to increased funds being held by the trustee pursuant to Dominican's existing Bank of Marin loan. Decreases in net contributions receivable fell from over \$1.6 million in FY 2022 to nearly \$373,000 in FY 2024 because of the timing of the capital campaign associated with the Center for Dominican Experience, which was completed in 2024. Noncurrent assets such as investments decreased from over \$30 million in FYs 2022 and 2023 to just over \$27.7 million in FY 2024 due to a one-time draw from the endowment to complete construction of the Center for Dominican Experience. Dominican intends to replenish the endowment for this draw. In spite of the declines, total net assets remained strong at over \$78.2 million in FY 2022, approximately \$77 million in FY 2023, and just under \$76 million in FY 2024.

Dominican maintained a consistent debt-to-expendable net assets ratio of 0.5x throughout the review period with the Bank of Marin loan being its only outstanding debt. With this proposed bond financing, Dominican's pro-forma FY 2024 debt-to-expendable net assets ratio increases slightly to 0.8x demonstrating its continued limited use of debt obligations in relation to available resources. Dominican's net debt service coverage ratio showed improvements throughout the review period, increasing from 0x in FY 2022 to 0.3x in FY 2023 and then to 2.6x in FY 2024. As the proposed new financing is primarily refinancing an existing loan, Dominican's proforma FY 2024 net debt service coverage ratio decreases to 1.7x, demonstrating Dominican's ability to generate sufficient cash to cover the new debt.

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IV. BACKGROUND:

General:

Dominican College was founded in 1890 by the Dominican Sisters of San Rafael (the “Sisters”), and in 1917 became the first Catholic college in California to grant the Bachelor of Arts degree to women. Since 1969, Dominican’s operations have been managed entirely by a Board of Trustees, and the institution has operated independently of the Sisters. Originally established as a women’s college, Dominican became fully coeducational in 1971.

Administration:

Dominican is governed by an independent Board of Trustees (the Board), which provides general oversight and direction to the university and to evaluate the university’s President. Dominican’s by-laws state that the Board shall consist of not less than 21 trustees, who shall serve on the Board. The by-laws have established that the Prioress General of the Sisters of St. Dominic, Congregation of the Most Holy Name (or her designee) serve ex-officio with full voting rights on the Board of Trustees. At least one Sister must serve on the Executive Committee, and up to one-seventh of the total Board members may be Sisters (currently, the Prioress General is the only Sister serving on the Board). The president of Dominican’s Alumni Board also holds an ex-officio seat with full voting rights.

Accreditations:

Dominican has been accredited since 1949 by the Western Association of Schools and Colleges (WASC) Senior College and University Commission, the primary accrediting body for institutions of higher education in the western United States. WASC reaffirmed Dominican’s accreditation in 2021 with the next accreditation process scheduled to begin during the 2025-2026 academic year.

Academic Programs:

Dominican is comprised of three academic schools: the Barowsky School of Business, the School of Health and Natural Sciences, and the School of Liberal Arts and Education. Collectively, the schools offer 23 bachelors, 16 masters, and two doctoral degrees. The two doctorate degrees include a research program in Art Therapy (PhD) and an applied program of study in Occupational Therapy (OTD). Online programs include Applied Computer Science (BS), Applied Sport and Performance Psychology (MA), Business Administration (MBA), Creative Writing (MFA), Cybersecurity (MS), Education (MS), and Healthcare Administration (EMBA).

V. OUTSTANDING DEBT:

	Original Issue Amount	Amount Outstanding as of 06/30/2024	Estimated Amount Outstanding After Proposed Financing
Existing Debt			
Bank of Marin	\$ 24,557,000	\$ 22,808,703	\$ -
Proposed Financing			
CEFA, Series 2025			40,000,000
Total		\$ 22,808,703	\$ 40,000,000

VI. DUE DILIGENCE:

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

- **Eligibility:** Staff has reviewed and confirmed that Dominican meets the Authority's eligibility requirements.
- **Legal Review:** Dominican completed and submitted documentation responsive to the Authority's Legal Status Questionnaire.
- **Compliance with Government Code section 15455(b) (California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.)):** Dominican submitted documentation addressing the California Environmental Quality Act.
- **Iran Contracting Act Certificate:** The underwriter completed and submitted the Iran Contracting Act Certificate.

VII. STAFF RECOMMENDATION:

Staff recommends the Authority approve Resolution No. 335 authorizing the issuance of bonds in an amount not to exceed \$40,000,000 for Dominican University of California, subject to the terms and conditions in the resolution. TAP International Inc., the Authority's financial analyst, and KNN Public Finance, LLC, the Authority's municipal advisor, concur with the Authority's staff recommendations.

EXHIBIT 1

PROJECT SITES

- 50 Acacia Avenue, San Rafael, CA 94901
- 180 and 190 Palm Avenue, San Rafael, CA 94901
- 75 and 100 Magnolia Avenue, San Rafael, CA 94901
- 1515 Grand Avenue, San Rafael, CA 94901

EXHIBIT 2

Financing Team

Dominican University of California

Borrower:	Dominican University of California
Agent for Sale:	California State Treasurer
Issuer's Counsel:	Office of the Attorney General
Issuer's Municipal Advisor:	KNN Public Finance, LLC
Issuer's Financial Analyst:	TAP International, Inc.
Borrower's Counsel:	The Law Offices of Rossi A. Russell
Bond Counsel:	Squire Patton Boggs (US) LLP
Underwriter:	RBC Capital Markets, LLC
Underwriter's Counsel:	Chapman and Cutler LLP
Trustee:	U.S. Bank Trust Company, National Association
Trustee's Counsel:	Dorsey & Whitney LLP
Auditor:	Moss Adams LLP

RESOLUTION NO. 335

RESOLUTION OF THE CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE AND REFUNDING REVENUE BONDS TO FINANCE AND REFINANCE PROJECTS AT THE EDUCATIONAL FACILITIES OF DOMINICAN UNIVERSITY OF CALIFORNIA

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, as amended (Ed. Code, § 94100 et seq.) (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, Dominican University of California (the “Borrower”) is a nonprofit corporation duly organized and existing under the laws of the State of California;

WHEREAS, the California Enterprise Development Authority previously issued a Tax-Exempt Loan (Dominican University of California) in the original aggregate principal amount of \$24,557,000 (the “Prior Loan”), to the Borrower to finance and/or refinance the Prior Project, as more particularly described as the “Prior Project” in Exhibit A hereto;

WHEREAS, the Borrower has requested that the Authority issue one or more series of its revenue and refunding revenue bonds in an aggregate principal amount not to exceed \$40,000,000 and make one or more loans of the proceeds of the Bonds (as defined below) to the Borrower to: (i) refinance all or a portion of the Prior Project by repayment of the outstanding balance of the Prior Loan; (ii) finance the New Money Project, as more particularly described as the “New Money Project” in Exhibit A hereto (the “New Money Project” and, collectively with the Prior Project, the “Project”); (iii) pay a portion of the interest on the Bonds; (iv) fund a deposit to a debt service reserve fund, if any, for the Bonds; and (v) pay costs of issuance of 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, to the extent applicable, that the Project has complied with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), or is not a “project” under such division; and

WHEREAS, the approval of the terms of issuance and sale of such revenue and refunding 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 and refunding revenue bonds of the Authority generally designated as the “California Educational Facilities Authority Refunding and Revenue Bonds (Dominican University of California) 2025 Series A” and the “California Educational Facilities Authority Revenue Bonds (Dominican University of California) 2025 Series B (Federally Taxable)” (collectively, the “Bonds”), in a total aggregate principal amount not to exceed \$40,000,000, are hereby authorized to be issued from time to time, in one or more series, with such other name or names of the Bonds or series thereof as designated in the indenture pursuant to which the Bonds of any series 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, which incorporates by reference Exhibit A hereto.

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 and 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 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:

(i) the form of Loan Agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower, which may be utilized for one of more series of the Bonds;

(ii) the form of Indenture relating to the Bonds (the “Indenture”), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), which may be utilized for one of more series of the Bonds;

(iii) the form of the Bond Purchase Agreement relating to the Bonds, including the appendices thereto (the “Bond Purchase Agreement”), among RBC Capital Markets, LLC or an affiliate thereof (the “Underwriter” or, in the case of the private sale of one or more series of the Bonds, the “Private Placement Agent” or the “Purchaser”; and, in any such capacity, “RBC”), the Treasurer and the Authority, and approved by the Borrower; and

(iv) the preliminary limited offering memorandum relating to the Bonds or a single series of the Bonds (the “Preliminary Limited Offering Memorandum”);

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 officers executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof in the case of the Loan Agreement(s), the Indenture(s) and the Bond Purchase Agreement and by delivery thereof in the case of the Preliminary Limited Offering Memorandum. The Executive Director, Deputy Executive Director or Interim 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 dates of issue), interest rates, interest payment dates, denominations, forms, registration privileges or requirements, place or places of payment, terms of purchase or tender, terms of redemption, provisions governing transfer and other terms of the Bonds, including the determination of the period prior to, during and after construction during which interest on the Bonds will be paid from bond proceeds and provisions for credit and/or liquidity facilities, if any, from time to time, shall be as provided in the Indenture(s), as finally executed.

Section 5. RBC is hereby authorized to distribute the Preliminary Limited Offering Memorandum 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 RBC (in consultation with the Borrower), a preliminary limited offering memorandum may not be used with respect to any series of Bonds. RBC is hereby directed to deliver a final limited offering memorandum for the Bonds (the "Limited Offering Memorandum") 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 RBC 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 RBC, 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 that 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(s), Loan Agreement(s), Purchase Contract and Limited Offering Memorandum. 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) any credit or security documents or amendments thereto; (c) one or more escrow agreements, if any, relating to the refinancing of the Prior Project; and (d) 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. 2023-01 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. The Authority hereby approves the execution and delivery of the Indenture(s), the Loan Agreement(s), the Bond Purchase Agreement and Limited Offering Memorandum and other certificates and documents related thereto, with electronic signatures under the Uniform Electronic Transactions Act (Civ. Code, § 1633.1 et seq.) and digital signatures under Section 16.5 of the Government Code.

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

Date of Adoption: _____

EXHIBIT A TO RESOLUTION NO. 335

Description of the Project

The term “Prior Project” means, collectively, all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of educational facilities, administrative offices, recreational facilities, parking facilities, fiber optic data and communication network improvements of the Borrower.

The term “New Money Project” means the costs of all or a portion of the acquisition, construction, improvement and equipping of educational and related facilities of the Borrower, including, but not limited to: administrative facilities, site improvements, parking structures and surface parking.

The facilities comprising the Project are located at: the Borrower’s campus, with a main address of 50 Acacia Avenue in San Rafael, California, and other of the Borrower’s properties located at 180 Palm Avenue, 190 Palm Avenue, 1515 Grand Avenue, 100 Magnolia Avenue and 75 Magnolia Avenue in San Rafael, California. The Project is owned by the Borrower and operated by the Borrower as an integrated operation.