

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

Applicant/ Borrower:	University of San Diego (USD or University) 5998 Alcala Park San Diego, California San Diego County	Amount Requested: \$175,000,000	
		Date Requested: October 29, 2026	
		Resolution Number: 338	
Facility Type:	Private University		
Project Site:	5998 Alcala Park, San Diego, CA 92110		
Accreditation:	Western Association of Schools and Colleges		
Prior Borrower:	Yes (last CEFA issuance – March 2011)		
Background: USD is a private non-profit Catholic university chartered in 1949 and first began operating as the San Diego College for Women and San Diego College for Men. In 1972, the two colleges merged to form USD. Organized into seven major academic divisions, USD offers more than 45 graduate programs, seven doctoral degrees, five Master of Laws (LLM) degrees, and one Juris Doctor (JD) degree. Several of these degrees offer a choice of areas of specialization.			
Use of Proceeds: Bond proceeds will be used to finance a new three-story 70,000 square-foot Integrative Science, Technology, Engineering, and Mathematics (STEM) facility, refund the outstanding California Municipal Finance Authority (CMFA) Series 2015 variable rate bonds, and fund working capital to terminate an interest rate swap agreement, and to pay costs of issuance.			
Type of Issue: Negotiated public offering, tax-exempt fixed rate			
Expected Credit Rating: A1; (Moody's)			
Financing Team: See Exhibit 1 to identify possible conflicts of interest			
Financial Overview: USD's income statement demonstrates growth in total revenue over the review period, supported by a growing revenue base including Tuition and fees. USD's balance sheet continues to grow and exhibits a solid proforma FY 2025 net debt service coverage ratio of 1.6x.			
<u>Estimated Sources of Funds:</u>		<u>Estimated Uses of Funds:</u>	
Bond proceeds	\$ 175,000,000	Refunding	\$ 99,000,000
		Project Fund	74,250,000
		Financing costs	1,750,000
Total Estimated Sources	<u>\$ 175,000,000</u>	Total Estimated Uses	<u>\$ 175,000,000</u>
Due Diligence: Staff has confirmed the following documentation provided by USD 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 Number 338 authorizing the issuance of bonds in an amount not to exceed \$175,000,000 for the University of San Diego, 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 in this staff report related to the borrower or the project, including any data or analysis related to the borrower's financial condition or ability to repay the financing, is based on information provided by the borrower and was prepared solely for members of the Authority's Board to satisfy certain provisions of the California Educational Facilities Authority Act (Ed. Code, § 94100 et seq.). This staff report does not constitute a recommendation by the Authority to purchase the bonds. Potential investors are advised to read the entire Preliminary Official Statement and Official Statement with respect to the bonds to obtain information essential to the making of an informed investment decision.

STAFF SUMMARY, ANALYSIS, AND RECOMMENDATION

I. PURPOSE OF FINANCING

USD is requesting Authority approval to issue tax-exempt bonds in a principal amount not to exceed \$175 million to finance a new Integrative STEM facility, refund the outstanding CMFA Series 2015 variable rate bonds, and fund working capital to terminate an interest rate swap agreement¹ and pay costs of issuance. The new STEM facility is designed to prepare USD students for the future of STEM education and will allow USD to increase capacity for STEM classes. USD's enrollment demand in STEM disciplines has grown by over 50% since 2013, and over 30% of all declared majors at USD are STEM majors, pointing to the growing interest in the STEM disciplines among the student body. By refunding the variable rate bonds and terminating the interest rate swap agreement, USD will be able to eliminate swap and bank renewal risks, eliminate financial covenants, and potentially generate economic savings depending on market conditions.

Refunding **\$99,000,000**

Bond proceeds will be used to refund the CMFA Series 2015 Bonds, which are currently held by U.S. Bancorp. Bond proceeds for the CMFA Series 2015 Bonds were used to refund the California Statewide Communities Development Authority Variable Rate Demand Revenue Bonds, Series 2005. As part of the 2015 financing, USD entered into a swap agreement to lessen the risk of the variable interest rate on the bonds. The refunding will allow USD to eliminate the swap agreement as the 2015 variable rate bonds will be replaced with fixed rate bonds.

New Money **74,250,000**

Bond proceeds will be used to fund a new STEM facility. The new building will be three stories totaling about 70,000 square feet and will feature instructional space, teaching labs, shop space, maker space, lecture auditorium, study/collaboration space, immersive visualization, grab and go food service, and activated rooftop. The new STEM building will be located in the center of the campus. The project began in May 2026 and is expected to be completed in November 2027.

Financing Costs **1,750,000**

Cost of Issuance \$1,000,000

Underwriter's Discount 750,000

TOTAL USES OF FUNDS..... **\$175,000,000**

¹ An interest rate swap agreement allows the borrower of variable rate debt to manage the risk of increasing interest rates by effectively swapping the variable rate for a fixed-rate through the swap agreement.

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 the Executive Summary, staff will report them at the meeting.

After reviewing the University's credit and financial profiles, current bond documents, prior bond transactions, offering documents, and considering what the market will support, the University; KNN Public Finance, LLC (KNN), 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 and note that the current financial situation of the University does not suggest that additional covenants should be required by the Authority.

The following covenants are applicable for this transaction:

Unconditional Promise to Pay. *The University agrees to pay 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. See Section 7 of Loan Agreement.*

Disposition of Cash and Property Limitations. *The University agrees not to sell, lease or dispose of substantially all assets unless authorized by the Loan Agreement. See Section 11 of Loan Agreement.*

Maintenance, Operation and Use of the Project and the Facilities. *The University will use its best efforts to cause the Project and the Facilities to be maintained in good condition and repair, will maintain, operate and use the Project, during the useful life thereof, as an integral part of the Facilities and will operate the Facilities as a postsecondary educational institution, maintain the Facilities in good repair, working order and condition. See Section 15(a) of 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 "enumerated events" such as missed debt service payments, any change in bond ratings, defeasance, redemptions, etc. The University is responsible for continuing disclosure under the rule pursuant to the Loan Agreement. See Section 15(g) of Loan Agreement.*

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.

² Capitalized terms are defined in the Indenture.

III. FINANCIAL ANALYSIS

University of San Diego
Statement of Activities
Unrestricted (\$000's)

	Year Ended June 30,		
	2025	2024	2023
Operating			
Revenues and other additions			
Tuition and fees, net	\$ 268,434	\$ 258,791	\$ 245,417
Sales and services of auxiliary enterprises	68,271	64,466	57,931
Grants and contracts	33,145	27,525	29,358
Contributions	5,515	4,432	3,434
Investment return distributed	10,968	10,331	9,919
Investment income, net	16,661	17,284	7,234
Other revenue	8,902	10,260	10,015
Total revenues	411,896	393,089	363,308
Net assets released from restrictions for operations	24,608	20,411	23,029
Total revenues and other additions	436,504	413,500	386,337
Expenses			
Salaries and wages	136,526	130,514	125,067
Benefits	38,378	36,368	34,923
Professional fees and contracted services	16,665	14,263	12,500
Meetings, travel, and memberships	10,831	9,763	8,327
Materials, supplies, printing, and postage	6,799	7,361	7,325
Depreciation	7,105	6,703	6,401
Interest	3,955	4,375	4,146
Occupancy, utilities, and maintenance	651	1,131	1,285
Other expenses	8,271	7,898	8,938
Research	9,854	8,871	7,728
Athletics and recreation	29,308	25,146	26,355
Public service	14,497	11,761	9,563
Auxiliary enterprise expenses	60,966	57,313	50,685
Management and general expenses	108,180	100,493	91,828
Total expenses	451,986	421,960	395,071
Change in Net Assets from Operations	(15,482)	(8,460)	(8,734)
Non-Operating			
Investment income, net	24,186	21,540	14,493
Less investment return distributed	(10,968)	(10,331)	(9,919)
Total non-operating investment return, net	13,218	11,209	4,574
Unrealized gain on interest rate swap	275	2,883	5,849
Net assets released from restrictions – non-operating	15	10	27,516
Other non-operating changes	-	(1,000)	(691)
Change in Net Assets from Non-Operating Activities	13,508	13,102	37,248
Change in net assets	(1,974)	4,642	28,514
Net Assets			
Beginning of year	945,607	940,965	912,451
End of year	\$ 943,633	\$ 945,607	\$ 940,965

University of San Diego
Statement of Financial Position (\$000's)

	As of June 30,		
	2025	2024	2023
ASSETS			
Cash, cash equivalents, and restricted cash	\$ 13,011	\$ 11,306	\$ 10,129
Short-term investments	47,369	81,793	130,947
Accounts and loans receivable, net	45,046	51,993	58,886
Other assets	17,760	18,512	8,667
Contributions receivable, net	112,344	45,171	50,432
Property, plant, and equipment, net	808,886	760,035	705,325
Long-term investments	871,259	854,153	803,517
Total assets	<u>\$ 1,915,675</u>	<u>\$ 1,822,963</u>	<u>\$ 1,767,903</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 56,064	\$ 64,349	\$ 55,871
Deferred tuition revenue	21,002	20,744	12,365
Other liabilities	14,353	19,766	11,771
Bonds payable, net	262,268	264,942	267,328
Refundable advances	2,784	3,615	5,746
Total liabilities	<u>356,471</u>	<u>373,416</u>	<u>353,081</u>
Net assets			
Without donor restrictions	943,633	945,607	940,965
With donor restrictions	615,571	503,940	473,857
TOTAL NET ASSETS	<u>1,559,204</u>	<u>1,449,547</u>	<u>1,414,822</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,915,675</u>	<u>\$ 1,822,963</u>	<u>\$ 1,767,903</u>

Financial Ratios

	Proforma FYE 6/30/25 ^(a)	2025	2024	2023
Debt service coverage by Operating Income (x)	0.9	1.7	2.2	1.9
Debt service coverage by Net Assets (x)	1.6	3.2	3.6	5.4
Debt to expendable net assets (x)	0.3	0.2	0.2	0.2
Expendable net assets to operations (x)		2.9	2.8	3.0
Margin (%)		(3.5)	(2.0)	(2.3)

^(a) Recalculates FY 2025 results to include the impact of this proposed financing

Financial Discussion:

USD's income statement demonstrates growth in total revenue over the review period, supported by a growing revenue base including Tuition and fees.

Total revenues have grown from \$363.3 million in FY 2023 to approximately \$411.9 million in FY 2025, a 13.4% increase. This revenue growth is the result of Tuition and fees, which have increased from nearly \$245.4 million in FY 2023 to approximately \$268.4 million in FY 2025, an increase of 9.4%. According to USD, the increase was mainly driven by increased enrollment across both the undergraduate and graduate portfolios, coupled with modest tuition rate increases during the same time span. USD also experienced positive returns in Sales and services of auxiliary enterprises, which increased from nearly \$57.9 million in FY 2023 to approximately \$68.3 million in FY 2025, an increase of 17.9%. According to USD, the increase in campus population drove the increase in auxiliary revenues, coupled with rate increases that are proportional to inflation costs for food and labor. USD also has a larger campus-adjacent population in non-USD housing, which has increased revenues from food services to higher levels year over year.

Total expenses for USD increased from approximately \$395.1 million in FY 2023 to nearly \$452.0 million in FY 2025, an increase of 14.4%. USD management notes the increase is driven mainly by escalating utility rates combined with a growing on-campus student population that is increasing the costs for energy, water, and trash/recycling collection services. Additionally, USD has invested in athletics to ensure competitiveness at both the conference and national levels, coupled with the rapidly changing college athletics landscape. To offset these increased expenses, USD continues to expand revenue opportunities specific to athletic venues and its teams.

USD also experienced negative margins during the review period at negative 2.3%, 2.0%, and 3.5%, for FY 2023, FY 2024, and FY 2025, respectively. To help improve its margins, USD has begun multiple operational efficiency studies to improve space utilization, utility schedules, and classroom usage. USD has also initiated an Undergraduate Strategic Enrollment Plan to recruit new students and modernize its admissions systems and procedures.

USD's balance sheet continues to grow and exhibits a solid proforma FY 2025 net debt service coverage ratio of 1.6x.

USD's balance sheet shows an increase of 8.4% in total assets, from nearly \$1.8 billion in FY 2023 to over \$1.9 billion in FY 2025. The improvement is reflected by consistent growth in Long-term investments, which increased from approximately \$803.5 million in FY 2023 to nearly \$871.3 million in FY 2025. The growth in investments comes from both investment returns and fiscal management to leverage operational expense reductions rather than depleting invested reserves or increasing the draw from the endowment.

Additionally, Property, plant, and equipment experienced an increase from nearly \$705.3 million in FY 2023 to about \$808.9 million in FY 2025. According to USD, the increase was due to the completed construction of the \$100 million, 80,000 square-foot, Palomar Health Student Wellness Center, which opened in late Spring 2025.

USD's net debt service coverage ratio (DSCR) remained relatively stable during the review period, measuring 5.4x in FY 2023, 3.6x in FY 2024, and 3.2x in FY 2025, indicating USD's ability to meet debt its obligations. With the proposed new debt, USD's proforma FY 2025 net DSCR of 1.6x remains above the 1.0x benchmark used to demonstrate the ability to repay debt obligations. USD has demonstrated a low reliance on debt with a debt-to-expendable net assets ratio of 0.2x in each fiscal year of the review period. With the issuance of the 2026 bonds, USD's proforma FY 2025 debt-to-expendable net assets ratio increases slightly to 0.3x, indicating a continued low reliance on debt.

IV. BACKGROUND

General:

USD is a private non-profit Catholic university chartered in 1949 and first began operating as the San Diego College for Women and San Diego College for Men. In 1972, the two colleges merged together forming the University of San Diego. USD is located in Linda Vista on a 180-acre campus overlooking Mission Bay and the downtown business area of the City of San Diego. Organized into seven major academic divisions, the University of San Diego offers more than 45 graduate programs, seven doctoral degrees, a JD, and five LLM degrees. Several of these degrees offer a choice of areas of specialization.

USD enrolled approximately 10,023 undergraduate and graduate students for the Fall 2026 term. Of these 10,023 students, 6,358 are enrolled as undergraduates and 3,665 are enrolled as graduate students. USD employs 529 full-time faculty and 495 part-time faculty members.

Administration:

USD is governed by a self-perpetuating Board of Trustees consisting of 32 Trustees from the elected Trustee class, two Trustees are selected by the California Provincial of the Religious of Sacred Heart, and two Trustees are selected by the incumbent Bishop or Administrator of the Roman Catholic Diocese of San Diego. Trustees shall hold office for a period of three years or until his or her successor is elected. The President of USD serves as a member of the Board with full voting rights for the duration of his or her employment contract. Trustees do not receive compensation for their services.

Academic Programs:

USD offers a broad spectrum of undergraduate, graduate, professional and continuing education programs. USD has a variety of degrees and programs available from the College of Arts and Sciences as well as the Knauss School of Business, the Hahn School of Nursing and Health Science, the Joan B. Kroc School of Peace Studies, the School of Law, the School of Leadership and Education Sciences and the Shiley-Marcos School of Engineering. In addition, USD offers a number of continuing education programs, workshops, seminars, non-degree classes and certificates.

Accreditations:

USD is accredited by the Western Association of Schools and Colleges – Senior College and University Commission (WSCUC), Accreditation Board for Engineering and Technology (ABET), American Bar Association, American Counseling Association, American Psychological Association, Association to Advance Collegiate Schools of Business International, Commission for Accreditation for Marriage and Family Therapy Education, Commission on Collegiate Nursing Education, and the National Council for Accreditation of Teacher Education. Additionally, USD programs have been granted approval by the American Chemical Society, the Board of Registered Nursing, and the California Commission on Teacher Credentialing.

V. OUTSTANDING DEBT (In thousands)

	Original Issue Amount	Amount Outstanding as of 06/30/25	Estimated Amount Outstanding After Proposed Financing
Existing Debt			
CMFA 2015	\$ 91,750	\$ 87,210	\$ -
CMFA 2019A	44,355	44,355	44,355
CMFA 2019B	50,965	47,125	47,125
CMFA 2022	75,000	75,000	75,000
Proposed Financing			
CEFA Revenue Bonds, Series 2026			175,000
Total		\$ 253,690	\$ 341,480

VI. DUE DILIGENCE

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

- **Eligibility:** Staff has reviewed and confirmed that USD meets the Authority's eligibility requirements.
- **Legal Review:** USD 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.)):** USD 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 Number 338 authorizing the issuance of bonds in an amount not to exceed \$175,000,000 for University of San Diego, 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

FINANCING TEAM

University of San Diego

Borrower:	University of San Diego
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:	Mintz, Levin, Cohn, Ferris, Glovsky, and Popeo P.C.
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Underwriter:	Wells Fargo Bank, N.A.
Underwriter's Counsel:	Squire Patton Boggs (US) LLP
Trustee:	Bank of New York Mellon Trust Company, N.A.
Trustee's Counsel:	Foley & Lardner LLP
Rating Agency:	Moody's Investors Service
Auditor:	Baker Tilly US, LLP

RESOLUTION NUMBER 338

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

October 29, 2026

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, the University of San Diego (the “Borrower”) is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California;

WHEREAS, the Authority is informed that by application to the California Municipal Finance Authority (“CMFA”), the Borrower caused the issuance by CMFA of its California Municipal Finance Authority Variable Rate Revenue Bonds (University of San Diego) Series 2015 (the “2015 Bonds”), in the aggregate principal amount of \$91,750,000 of which \$87,045,000 aggregate principal amount is currently outstanding, the net proceeds of which were loaned to the Borrower to refinance the acquisition or construction of projects, as more particularly described under the caption “Prior Project” in Exhibit A hereto (the “Prior Project”), including projects not originally funded pursuant to the Act (including repayment of related costs, as defined in the Act);

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 \$175,000,000 and apply the proceeds thereof to make one or more loans of the proceeds of the Bonds (as defined below) to the Borrower (i) to refinance the Prior Project and refund and redeem the 2015 Bonds, (ii) to acquire and construct projects (as defined in the Act), as more particularly described under the caption “New Money Project” in Exhibit A hereto (the “New Money Project” and, together with the Prior Project, the “Project”), (iii) to fund working capital including the termination of a related interest rate swap agreement, and (iv) to pay certain 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 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 (University of San Diego), Series 2026” (the “Bonds”), or such similar name as approved by the Executive Director of the Authority including an interim acting officer or her or his designee, in a total aggregate principal amount not to exceed \$175,000,000, are hereby authorized to be issued from time to time, in one or more series, on one or more sale dates, with such other name or names of the Bonds or series thereof as designated in the Indenture (as defined 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 The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);

(c) the Purchase Contract, including the appendices thereto, relating to the Bonds (the “Purchase Contract”), 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 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.

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 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 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, 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) an escrow agreement or instructions relating to the refunding and redemption of the 2015 Bonds together with notices and directions delivered in connection therewith; 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 8. The provisions of the Authority's Resolution No. 2025-01 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, Loan Agreement, Purchase Contract, and Official Statement and other certificates and documents related thereto, with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

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

Date of Adoption: _____

EXHIBIT A

The term “Project” comprises (1) and (2) below and the proceeds of the Bonds are expected to be applied to the costs of the following:

(1) Prior Project – refunding the California Municipal Finance Authority Variable Rate Revenue Bonds (University of San Diego) Series 2015, the proceeds of which refinanced capital improvements, the acquisition and renovation of student housing facilities, and the acquisition and installation of equipment and furnishings on the site of the Borrower’s main campus located generally at 5998 Alcalá Park, San Diego, California;

(2) New Money Project – financing the acquisition, construction, improvement, renovation and equipping of the following: (a) a new three-story Integrative Science, Technology, Engineering, and Mathematics (STEM) Facility, which will include instructional space, teaching labs, a lecture auditorium, a food service area, and an activated functional rooftop designed for educational and research use, and (b) capital improvements and expenditures for parking, streets and landscaping, physical plant, academic, student support, faculty and staff offices, student housing and/or athletic facilities, and the acquisition and installation of furnishings, equipment, technology and/or library materials, each located or to be located on or adjacent to the Borrower’s main campus at 5998 Alcalá Park, San Diego, California;

(3) funding working capital including the termination of a related interest rate swap agreement; and

(4) paying certain costs of issuance of the Bonds.