

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY  
BOND FINANCING PROGRAM**

**EXECUTIVE SUMMARY**

<p><b>Applicant:</b> University of the Pacific (Pacific) 3601 Pacific Avenue Stockton, CA 95211 San Joaquin County</p> <p><b>Facility Type:</b> Private University</p> <p><b>Project Sites:</b> See Exhibit 1</p> <p><b>Accreditation:</b> Western Association of Schools and Colleges</p> <p><b>Prior Borrower:</b> Yes (last CEFA issuance July 2023)</p>	<p><b>Amount Requested:</b> \$120,000,000</p> <p><b>Date Requested:</b> February 27, 2025</p> <p><b>Resolution Number:</b> 332</p>																				
<p><b>Background:</b> Founded in 1851, Pacific is the oldest chartered university in California, with campuses in Stockton, Sacramento, and San Francisco. Pacific’s main campus in Stockton offers an array of undergraduate, graduate, and professional programs. The Sacramento campus includes the McGeorge School of Law, which is one of the largest law schools in California, the School of Health Sciences, and an International Dental Studies program of the Arthur A. Dugoni School of Dentistry (Dugoni School). The San Francisco campus is home to the Dugoni School and the Audiology Doctoral program of the School of Health Sciences.</p>																					
<p><b>Use of Proceeds:</b> Proceeds of the Series 2025A Bonds will be used to finance the demolition and reconstruction of Pacific’s Southwest Hall dormitory facility at the Stockton campus, the construction of an Ambulatory Surgical/Multi-Disciplinary Advanced Care Clinic at the San Francisco campus, and to pay costs of issuance. The Series 2025B Bonds will refund the existing CEFA Series 2015 bonds and pay costs of issuance.</p>																					
<p style="text-align: center;"><b>Type of Issue:</b>      <a href="#">Series 2025A – Negotiated public offering, tax-exempt fixed rate</a>  <a href="#">Series 2025B – Negotiated public offering or direct bank placement, tax-exempt fixed rate</a></p> <p><b>Expected Credit Rating:</b>      A2 (Moody’s)</p> <p><b>Financing Team:</b>      Please see Exhibit 2 to identify possible conflicts of interest</p>																					
<p><b>Financial Overview:</b> Pacific appears to post positive operating results with total revenues increasing over the review period. Pacific appears to show a solid balance sheet with a pro-forma fiscal year (FY) 2024 operating debt service coverage ratio of 2.0x.</p>																					
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Estimated Sources of Funds</u></th> <th style="text-align: right;"></th> <th style="text-align: left;"><u>Estimated Uses of Funds</u></th> <th style="text-align: right;"></th> </tr> </thead> <tbody> <tr> <td>Bond Proceeds</td> <td style="text-align: right;">\$ 120,000,000</td> <td>Project Fund</td> <td style="text-align: right;">\$ 74,000,000</td> </tr> <tr> <td></td> <td></td> <td>Refunding</td> <td style="text-align: right;">44,000,000</td> </tr> <tr> <td></td> <td></td> <td>Financing Costs</td> <td style="text-align: right;">2,000,000</td> </tr> <tr> <td>Total Estimated Sources</td> <td style="text-align: right;"><u>\$ 120,000,000</u></td> <td>Total Estimated Uses</td> <td style="text-align: right;"><u>120,000,000</u></td> </tr> </tbody> </table>		<u>Estimated Sources of Funds</u>		<u>Estimated Uses of Funds</u>		Bond Proceeds	\$ 120,000,000	Project Fund	\$ 74,000,000			Refunding	44,000,000			Financing Costs	2,000,000	Total Estimated Sources	<u>\$ 120,000,000</u>	Total Estimated Uses	<u>120,000,000</u>
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<p><b>Due Diligence:</b> Staff has confirmed the following documentation satisfies the California Educational Facilities Authority’s (Authority or CEFA) requirements: Eligibility, Legal Review, the California Environmental Quality Act, and the certification for the Iran Contracting Act.</p>																					
<p><b>Staff Recommendation:</b> Staff recommends the Authority approve Resolution No. 332 in an amount not to exceed \$120,000,000 for the University of the Pacific, 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.</p>																					

*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**

Pacific is requesting the Authority issue two series of tax-exempt bonds in a principal amount not to exceed \$120,000,000. Proceeds from the Series 2025A bonds are intended for demolition, construction, and improvement projects at the Stockton and San Francisco campus locations. In 2022, Pacific announced its goal to guarantee four years of on-campus housing to its students. To help meet this goal, Pacific intends to demolish and reconstruct one of its existing housing facilities to address the increasing enrollment and limited campus housing at its Stockton campus. Pacific also plans to repurpose certain facilities at its San Francisco campus to build an Ambulatory Surgical and Multi-Disciplinary Advanced Care Clinic (ASC/MDAC). Pacific was also awarded an initial allocation of \$5 million through the CHFFA Specialty Dental Clinic Grant Program for the ASC/MDAC renovation. The grant is pending approval from CHFFA’s board at its February 27, 2025 board meeting.

Proceeds from the Series 2025B Bonds will be used to refund Pacific’s outstanding Series 2015 bonds and pay certain costs of issuance. The Series 2025B bonds will be a forward delivery, closing in August 2025 when the Series 2015 bonds are callable. Pacific anticipates a net present value savings in excess of \$3.4 million based on current market conditions. [To provide Pacific with greater flexibility to mitigate potential risk factors, the 2025B bonds will be publicly offered with Morgan Stanley & Co. LLC as the underwriter or privately placed with Morgan Stanley & Co. LLC as the bank purchaser. Pacific will determine the type of issuance prior to pricing the bonds.](#)

**Project Fund** ..... **\$74,000,000**

**Stockton Campus:**

Pacific will use a portion of the Series 2025A bond proceeds to demolish and reconstruct Pacific’s Southwest Hall, which is a one-hundred-year-old dormitory and one of its largest housing facilities. The reconstruction is expected to increase campus housing by adding 129 new beds for a total of 391 beds. The three-floor building will have modern, suite-style accommodations along with lounge spaces; 12 study spaces for individual and group work; study nooks equipped with conference tables, whiteboards, and monitors; and three suites for staff and faculty-in-residence. An outdoor courtyard will accommodate events, space for socialization, and relaxation. Despite the modern interior, Pacific intends to replicate the original 1924 building to retain the campus’ historic feel while also incorporating energy efficiency and sustainability.

**San Francisco Campus:**

A portion of the Series 2025A bond proceeds will be used to build an ASC/MDAC at Pacific’s campus building at 155 5<sup>th</sup> Street in San Francisco. The ASC/MDAC space will be approximately 13,000 square feet and will include ten pre/post-operative beds, eight dental operatories, five mixed medical/dental treatment rooms, and four operating rooms. The project is intended to serve approximately 8,400 special health care needs patients annually. Audiology programmatic facilities that are currently located in the proposed ASC/MDAC space will be relocated to a different space in the same building.

**Refunding CEFA Series 2015 Bonds ..... 44,000,000**

Proceeds from the Series 2025B bonds will be used to refund the CEFA 2015 bonds. The 2015 bonds were used to acquire, construct, renovate, or upgrade the educational and related facilities at Pacific’s various locations including 3601 Pacific Avenue and 3622 Stagg Way in Stockton; 3200 Fifth Avenue in Sacramento; and 1203 J Street in Union City.

**Financing Costs..... 2,000,000**

Cost of Issuance..... \$1,500,000

Underwriter’s Discount..... 500,000

**TOTAL USES OF FUNDS ..... \$120,000,000**

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## **I. 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 Pacific's credit and financial profiles, current bond documents, prior bond transactions, their offering documents, and considering what the market will support, KNN Public Finance LLC (KNN), the Authority's municipal advisor, Pacific's financial advisor, and the underwriter of the proposed bonds have concluded that the covenants listed below should be applicable to this transaction and note that Pacific'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 Revenues<sup>1</sup> and any other amounts held in a designated fund or account under the Indenture are pledged to secure the full payment of the bonds.*
- ✓ **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.*

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

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<sup>1</sup> Capitalized terms are defined in the Indenture or Loan Agreement.

## II. FINANCIAL ANALYSIS

**University of the Pacific**  
**Statement of Activities**  
**Unrestricted (\$000's)**

	Year Ended June 30,		
	2024	2023	2022
<b>Revenues, gains and other support:</b>			
Tuition and student fees	\$ 254,739	\$ 241,111	\$ 229,656
Sales and services of auxiliary enterprises	33,860	31,496	28,779
Government grants and contracts	22,781	25,642	17,891
Private grants, gifts, and bequests	8,143	18,048	11,720
Investment return distributed	1,559	1,398	1,258
Clinic fees	14,616	15,024	14,995
Other	30,445	18,747	9,257
Net assets released from restrictions	20,862	19,709	17,656
Total revenues and gains	<u>387,005</u>	<u>371,175</u>	<u>331,212</u>
<b>Expenses:</b>			
Compensation and benefits	239,984	226,294	211,913
Materials, supplies and other	61,628	57,436	46,868
Services	31,221	29,398	28,938
Facilities and maintenance	18,560	17,590	16,171
Depreciation	22,181	20,693	19,988
Interest	6,042	4,719	5,424
Total expenses	<u>379,616</u>	<u>356,130</u>	<u>329,302</u>
Increase in net assets from operations before other changes	7,389	15,045	1,910
<b>Nonoperating activities:</b>			
Investment return (loss), net of distributions	3,610	4,117	(8,158)
Actuarial gain (loss) on annuity and trust obligations	-	2,402	154
Other	263	(260)	-
Increase (decrease) from nonoperating activities	<u>3,873</u>	<u>6,259</u>	<u>(8,004)</u>
Change in net assets	11,262	21,304	(6,094)
Net assets, beginning of year	<u>446,415</u>	<u>425,111</u>	<u>431,205</u>
Net assets, end of year	<u>\$ 457,677</u>	<u>\$ 446,415</u>	<u>\$ 425,111</u>

**University of the Pacific**  
**Statement of Financial Position (000's)**

<b>Assets</b>	As of June 30,		
	2024	2023	2022
Cash and cash equivalents	\$ 5,917	\$ 3,740	\$ 28,445
Accounts receivable, net	27,316	22,902	14,056
Pledges receivable, net	18,401	11,588	17,590
Inventories, prepaid expenses, and other assets	8,089	7,278	7,583
Student loans receivable, net	14,821	15,671	18,877
Investments	942,224	875,200	826,989
Fixed assets, net	398,816	376,502	361,697
Total assets	<u>\$ 1,415,584</u>	<u>\$ 1,312,881</u>	<u>\$ 1,275,237</u>
 <b>Liabilities and Net Assets</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 49,665	\$ 43,887	\$ 36,675
Advance deposits and deferred revenue	22,940	24,758	25,824
Self-insurance and other obligations	13,393	15,240	12,587
Lease obligations	1,193	2,147	2,381
Notes and bonds payable	167,070	132,913	141,552
Trust and annuity obligations	7,920	7,535	7,724
Federal student loan funds	16,043	16,666	20,003
Total liabilities	<u>278,224</u>	<u>243,146</u>	<u>246,746</u>
 Net assets:			
Without donor restrictions	457,677	446,415	425,111
With donor restrictions	679,683	623,320	603,380
Total net assets	<u>1,137,360</u>	<u>1,069,735</u>	<u>1,028,491</u>
Total liabilities and net assets	<u>\$ 1,415,584</u>	<u>\$ 1,312,881</u>	<u>\$ 1,275,237</u>

Financial Ratios

	<b>Proforma</b>	<u>2024</u>	<u>2023</u>	<u>2022</u>
	<b>FYE 6/30/2024<sup>(a)</sup></b>			
Debt service coverage - Operating (x)	2.0	2.4	3.1	2.0
Debt service coverage - Net (x)	2.2	2.7	3.6	1.4
Debt to expendable net assets (x)	0.3	0.2	0.2	0.2
Expendable net assets to operations (x)		1.9	1.9	1.9
Margin (%)		1.9	4.1	0.6

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

## **Financial Discussion:**

### **Pacific appears to post positive operating results with increasing total revenues over the review period.**

Pacific's total revenues increased from approximately \$331.2 million in fiscal year (FY) 2022, to roughly \$387 million in FY 2024. Tuition and student fees, Pacific's largest source of revenue, also increased yearly from nearly \$229.7 million in FY 2022 to approximately \$241.1 million in FY 2023, and to over \$254.7 million in FY 2024. According to Pacific's management, these increases were due to higher tuition rates and higher enrollment. Sales and services of auxiliary enterprises experienced a gradual increase over the review period from approximately \$28.8 million in FY 2022 to over \$31.5 million in FY 2023 and increased to over \$33.9 million in FY 2024 due to an increase in housing and dining rates. Pacific experienced fluctuations in private grants, gifts, and bequests with over \$11.7 million in FY 2022, then an increase to over \$18 million in FY 2023, and then a sharp decline to just over \$8.1 million in FY 2024. Per Pacific's management, these revenue fluctuations were due to the end of the COVID-19 related grants.

In conjunction with increasing revenues, Pacific's total expenses also increased each year, with compensation and benefits increasing from approximately \$211.9 million in FY 2022 to roughly \$226.3 million in FY 2023, and to over \$239.9 in FY 2024. According to Pacific's management, the increase in compensation and benefits partly is due to annual merit increases, the expansion of academic programs, and filling of open positions. Gradual increases in services expense at just over \$28.9 million in FY 2022, to approximately \$29.4 million in FY 2023, and to just over \$31.2 million in FY 2024 also contributed to the increase in total expenses. These increases in services were due in large part to an increase in professional fees and the costs of educational services.

### **Pacific appears to show a solid balance sheet with a pro-forma FY 2024 operating debt service coverage ratio of 2.0x.**

Pacific demonstrates a solid balance sheet with total assets increasing from approximately \$1.3 billion in FY 2022 to over \$1.4 billion in FY 2024. Pacific's cash and cash equivalents experienced fluctuations during the review period at over \$28.4 million in FY 2022, then down to approximately \$3.7 million in FY 2023, and then grew to over \$5.9 million in FY 2024. The significant decrease in cash and cash equivalents from FY 2022 to FY 2023 was primarily attributable to a significant purchase of fixed assets in FY 2023.

Pacific has demonstrated its ability to repay debts with solid operating debt service coverage ratios of 2x in FY 2022, 3.1x in FY 2023, and 2.4x in FY 2024. With this proposed bond financing, Pacific's pro-forma FY 2024 operating debt service coverage ratio decreases slightly to a still solid 2x, indicating Pacific's ability to repay its debts. Pacific's ability to manage its debt has remained consistent throughout the review period, with a debt to expendable net assets ratio of 0.2x throughout the review period. With the new debt and the refunding, Pacific's pro-forma FY 2024 debt to expendable net assets ratio of 0.3x demonstrates Pacific's continued low utilization of debt financing in relation to its expendable net assets.

### **III. BACKGROUND**

#### **General:**

Founded in 1851, Pacific is the oldest chartered university in California. From its beginnings in Santa Clara, the institution has evolved into an institution with campuses in Stockton, Sacramento, and San Francisco. Pacific's main campus in Stockton offers an array of undergraduate programs in the arts and sciences, in addition to several undergraduate, graduate and professional programs, including international studies, music, pharmacy, business, engineering, and education. The Sacramento campus includes the McGeorge School of Law (McGeorge), the School of Health Sciences, and an International Dental Studies program of the Arthur A. Dugoni School of Dentistry (Dugoni School). McGeorge is one of the largest law schools in California, which offers legal training to its students, along with a variety of legal and legal related programs to practitioners in the western United States. Pacific's Dugoni School in San Francisco offers a Doctor of Dental Surgery (DDS) degree for internationally trained dentists, a Master of Science in Dentistry program with a certificate in Orthodontics or Endodontics, a residency in Advanced Education in General Dentistry, and a Bachelor of Science in Dental Hygiene, among a number of other degree programs. In Fall 2024, Pacific enrolled 6,393 students across undergraduate and graduate programs.

#### **Administration:**

Pacific is governed by a Board of Regents (the Board), which provides general oversight and direction to the university. Pacific's by-laws state that the Board shall consist of not less than 21 and not more than 35 persons. The by-laws have established three-year Board terms and a limit of three terms. The Board has also adopted a process for member evaluation, including an annual assessment of Board member attendance and participation.

#### **Accreditations:**

Pacific 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 Pacific's accreditation in 2019 with the next accreditation process scheduled to begin during the 2026-2027 academic year. McGeorge is accredited by the American Bar Association and the State Bar of California. The Dugoni School's predoctoral DDS and IDS, dental hygiene, orthodontics, and endodontology programs, as well as the residency programs in Advanced Education in General Dentistry were all granted accreditation through 2029 by the Commission on Dental Accreditation.

#### **Academic Programs:**

Pacific is comprised of nine colleges and schools, offering 116 degree programs, including 53 graduate, doctorate, and professional degree programs, across three campuses in Northern California:

- Stockton – the College of the Pacific (Arts & Sciences), Conservatory of Music, Eberhardt School of Business, Benerd College, School of Engineering and Computer Science, and the Thomas J. Long School of Pharmacy as well as programs from the School of Health Sciences
- Sacramento – the McGeorge School of Law and the School of Health Sciences
- San Francisco – the Arthur A. Dugoni School of Dentistry



**IV. OUTSTANDING DEBT (\$000's)**

	<u>Original Issue Amount</u>	<u>Amount Outstanding as of June 30, 2024</u>	<u>Estimated Amount Outstanding After Proposed Financing</u>
<b>Existing Debt</b>			
CEFA, Series 2014	\$ 36,500	\$ 7,435	\$ 7,435
CEFA, Series 2015	68,005	50,235	-
CEFA, Series 2023	41,790	41,790	41,790
CMFA Series 2020A	36,860	34,020	34,020
CMFA Series 2021A	20,570	17,405	17,405
JPMorgan Chase (Term Loan)	19,500	3,978	3,978
<b>Proposed Financing</b>			
CEFA, Series 2025			120,000
<b>Total</b>		<u>\$ 154,863</u>	<u>\$ 224,628</u>

**V. DUE DILIGENCE**

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

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

**VI. STAFF RECOMMENDATION**

Staff recommends the Authority approve Resolution No. 332 in an amount not to exceed \$120,000,000 for the University of the Pacific, 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**

- 3601 Pacific Avenue, Stockton, CA 95211
- 3622 Stagg Way, Stockton, CA 95211
- 155 5th Street, San Francisco, CA 94103
- 3200 Fifth Avenue, Sacramento, CA 95817
- 1203 J Street, Union City, CA 94587

**EXHIBIT 2**

**Financing Team**

**for**

**University of the Pacific**

Borrower: University of the Pacific

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.

Bond Counsel: Squire Patton Boggs LLP

Borrower's Counsel: Ropes & Gray LLP

Borrower's Financial Advisor: The Yuba Group, LLC

Underwriter/Purchaser: Morgan Stanley & Co. LLP

Underwriter's/Purchaser's Counsel: Hawkins Delafield & Wood LLP

Trustee: U.S. Bank Trust Company, National Association

Trustee's Counsel: Dorsey & Whitney LLP

Rating Agency: Moody's Investors Service, Inc.

Auditor: KPMG LLP

**RESOLUTION NO. 332**

**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 UNIVERSITY OF THE PACIFIC**

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

**WHEREAS**, the Authority has previously issued its Refunding Revenue Bonds (University of the Pacific), Series 2015 in the original aggregate principal amount of \$68,005,000, of which \$47,080,000 is currently outstanding (the “2015 Bonds”), and made a loan of the proceeds thereof to the Borrower to finance or refinance the acquisition, construction, improvement and equipping of educational facilities and related facilities as more particularly described under the caption “2015 Project” in Exhibit A hereto (the “2015 Project”);

**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 \$120,000,000 and make one or more loans of the proceeds of the Bonds (as defined below) to the Borrower: (i) to refund all or a portion of the outstanding 2015 Bonds and to pay related costs (including but not limited to escrow agent and verification agent fees incurred in connection with the refunding of the 2015 Bonds); (ii) to acquire and construct projects (as defined in the Act), as more particularly described as the “2025 Project” in Exhibit A hereto (the “2025 Project” and, together with the 2015 Project, the “Project”); (iii) to fund one or more debt service reserve funds for the Bonds, if any; and (iv) to pay costs of issuance and certain interest with respect to 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 Revenue Bonds (University of the Pacific) 2025 Series A” and the “California Educational Facilities Authority Refunding Revenue Bonds (University of the Pacific) 2025 Series B” (collectively, the “Bonds”), in a total aggregate principal amount not to exceed \$120,000,000, 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, 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:

(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 forms of the Purchase Agreement and the Forward Delivery Purchase Agreement, including the appendices thereto, relating to their respective Bonds (the “Bond Purchase Agreements”), each among Morgan Stanley & Co. ~~LLC (the “Underwriter”)~~ 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, “Morgan Stanley”), the Treasurer and the Authority, and approved by the Borrower; and

(iv) the preliminary official statement relating to the Bonds or a single series of 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 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 Agreements and by delivery thereof in the case of the Preliminary Official Statement. 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 date 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.** ~~The Underwriter~~Morgan Stanley 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~~Morgan Stanley (in consultation with the Borrower), a preliminary official statement may not be used with respect to any series of Bonds. ~~The Underwriter~~Morgan Stanley is hereby directed to deliver a final official statement for 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~~Morgan Stanley 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~~Morgan Stanley, 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~~Contracts 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) any credit or security documents or amendments thereto, (c) one or more escrow agreements, if any, relating to the refunding of the 2015 Bonds; 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 Agreements and Official Statement 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. 332**

### **Description of the Project**

The term “2025 Project” means the costs of all or a portion of the acquisition, construction, improvement, installation, renovation, rehabilitation, furnishing and equipping of certain educational facilities, healthcare facilities, student housing facilities and related administrative facilities, site improvements and parking, including but not limited to dormitories, classrooms, work spaces, offices, parking facilities, academic spaces, administrative offices and related infrastructure improvements at the Borrower’s campuses located at 3601 Pacific Avenue, Stockton, California 95211; 155 5th Street, San Francisco, California 94103; 3622 Stagg Way, Stockton, California 95211 and 3200 Fifth Avenue, Sacramento, California 95817.

The term “2015 Project” means, collectively, the costs of all or a portion of the acquisition, construction, renovation or upgrades of educational and related facilities at the Borrower’s various campuses, including but not limited to: student residential facilities; a building that houses certain humanities departments and a parking lot adjacent thereto; a dental clinic, dental hygiene clinic and training facility; existing science facilities; a multi-purpose sports facility; library facilities; administrative offices and other facilities at the Borrower’s campuses located at 3601 Pacific Avenue, Stockton, California 95211; 3622 Stagg Way, Stockton, California 95211; 3200 Fifth Avenue, Sacramento, California 95817 and 1203 J Street, Union City, California 94587.