

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

Applicant/ Borrower:	Western University of Health Sciences (Western University) 309 East Second Street Pomona, CA 91766 Los Angeles County	Amount Requested:	\$100,000,000
		Date Requested:	April 30, 2026
		Resolution Number:	336
Facility Type:	Private University		
Project Sites:	See Exhibit 1		
Accreditation:	Western Association of Schools and Colleges (WASC)		
Prior Borrower:	Yes (last CEFA issuance – October 2002)		

Background: Western University is a nonprofit, private, accredited institution with its principal campus located in Pomona, and includes other locations in California and Oregon. Founded in 1977 as the College of Osteopathic Medicine of the Pacific, the college officially became a university and changed its name to Western University of Health Sciences in 1996. Western University offers primary care-focused educational programs in several medical professions. There are currently approximately 3,700 students enrolled in Western University’s eight colleges.

Use of Proceeds: Bond proceeds will be used to refund the outstanding California Statewide Communities Development Authority (CSCDA), Series 2007A bonds (the Series 2007A Bonds) and fund working capital to terminate two swap agreements. Bond proceeds will also be used to finance and reimburse the costs of various capital projects at certain educational facilities at or adjacent to Western University’s main campus and to pay costs of issuance.

Type of Issue:	Negotiated public offering, tax-exempt fixed rate		
Expected Credit Rating:	A3 (Moody’s)		
Financing Team:	See Exhibit 2 to identify possible conflicts of interest		

Financial Overview: Western University demonstrates steady increases in total revenues over the review period, reflecting continued operational momentum. Western University appears to maintain an adequate balance sheet supported by a pro-forma FY 2025 operating debt service coverage ratio of 1.5x.

<u>Estimated Sources of Funds</u>		<u>Estimated Uses of Funds</u>	
Bond Proceeds	\$ 100,000,000	Refunding	\$ 65,340,000
		Project Fund	33,660,000
		Financing Costs	1,000,000
 Total Estimated Sources	 \$ 100,000,000	 Total Estimated Uses	 \$ 100,000,000

Due Diligence: Staff has confirmed the documentation provided by Western University 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. 336 in an amount not to exceed \$100,000,000 for Western University of Health Sciences, 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 with respect to the bonds to obtain information essential to the making of an investment decision.*

STAFF SUMMARY, ANALYSIS, AND RECOMMENDATION

I. PURPOSE OF FINANCING

Western University intends to issue approximately \$100 million in tax-exempt bonds to finance and reimburse the costs of various capital projects at or adjacent to its main campus in Pomona, refund the CSCDA Series 2007A Bonds, and fund working capital to terminate two interest rate swap agreements. The CSCDA Series 2007A Bonds are variable rate. The refunding will allow Western University to move to fixed rate bonds to mitigate risks associated with the existing swap agreements and eliminate bank-related financial covenants and ongoing reporting requirements. The refunding is expected to result in relatively breakeven net present value savings.

Refunding **\$65,340,000**

A portion of the bond proceeds will be used to refund the CSCDA Series 2007A Bonds, which are currently held by Wells Fargo Municipal Capital Strategies, LLC. Bond proceeds for the CSCDA Series 2007A Bonds were used to finance and refinance the acquisition, construction, improvement, expansion and equipping of certain educational facilities of Western University. In connection with the CSCDA Series 2007A variable rate bonds, Western University entered into two interest rate swap agreements. Proceeds for the 2026 CEFA bonds will also be used to fund working capital to eliminate the swap agreements in favor of the fixed rate bonds.

Project Fund **33,660,000**

Reimburse Capital Projects:

A portion of the bond proceeds will be used to reimburse Western University for various capital projects at its Pomona campus, including the acquisition of property located at 300 South Park Avenue in Pomona in October 2025. The property includes land, a 120,000 square-foot – nine-story – building, and a 300-space parking structure. The building will be used to house the administrative and support services units of the university to free up existing campus space to expand academic programs.

Western University will also reimburse itself for the acquisition of property located at 150 – 196 East Third Street, which includes land, a 27,000 square-foot, three-story building, and a parking lot. The space will be used to create student-centered programming, such as student study space, student lounge space, and student commons space.

Renovation Projects:

A portion of the bond proceeds will be used to finance certain renovation projects on or adjacent to Western University’s main campus. The project will include expansion of the dental clinic educational facility by renovating the second floor of the existing patient care center, allowing Western University to add an additional 48 dental operatory chairs to its current 68 dental operatory chairs on the third floor.

Financing Costs **1,000,000**

 Cost of Issuance \$500,000
 Underwriter’s Discount 500,000

TOTAL USES OF FUNDS **\$100,000,000**

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 them at the meeting.

After reviewing Western University's credit and financial profiles, current bond documents, prior bond transactions, and offering documents and considering what the market will support, Western 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 Western University does not suggest that additional covenants should be required by the Authority.

- ✓ **Unconditional Promise to Pay.** *Western University agrees to pay Trustee all amounts required for principal and interest and other payments and expenses designated in the Loan Agreement. All Revenues¹ 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 Cash and Property Limitations.** *Western University agrees not to sell, lease or dispose of substantially all assets unless authorized by the Loan Agreement.*
- ✓ **Maintenance, Operation and Use of the Project and the Facilities.** *Western 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.*
- ✓ **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. Western University is responsible for continuing disclosure under the rule pursuant to the Loan Agreement.*

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.

¹ This and other capitalized terms not defined herein are defined in the Indenture.

III. FINANCIAL ANALYSIS

**Western University of Health Sciences
Statement of Activities**

	Year Ended June 30,		
	2025	2024	2023
REVENUES, GAINS AND OTHER SUPPORT			
Student tuition, net	\$ 212,456,363	\$ 202,761,667	\$ 197,182,820
Government contracts and grants	10,435,569	9,806,129	8,672,911
Private gifts, contracts and grants	2,692,631	2,127,018	1,458,283
Gifts in kind	182,629	546,526	97,485
Investment returns made available for operations	10,297,280	7,936,356	2,017,669
Sales and services of auxiliary enterprises	2,483,195	2,126,185	2,149,738
Net patient revenue	9,189,990	8,866,615	7,846,102
Other sales and services	3,455,513	3,418,558	2,841,097
Other operating revenues	4,283,843	4,116,143	5,074,827
Net assets released from restrictions	4,183,096	3,409,755	4,999,586
 Total revenues	 259,660,109	 245,114,952	 232,340,518
EXPENSES			
Compensation and benefits	170,856,214	162,204,181	151,942,633
Supplies and Services	73,642,149	67,583,156	67,927,761
Depreciation	8,276,035	8,225,142	7,875,990
Interest expense	3,863,197	4,034,873	4,137,923
 Total expenses	 256,637,595	 242,047,352	 231,884,307
 Change in net assets from operating activities	 3,022,514	 3,067,600	 456,211
NONOPERATING ACTIVITIES			
Investment returns, net	8,986,016	11,864,952	11,709,843
Change in value of split-interest agreements	483,427	739,904	567,608
Differential in value of swap contract	(709,700)	1,960,284	4,704,002
Gain on involuntary conversion	-	490,092	-
Redesignation of net assets	(50,000)	4,415,131	(8,905)
 Change in net assets from non-operating activities	 8,709,743	 19,470,363	 16,972,548
Increase in net assets	11,732,257	22,537,963	17,428,759
NET ASSETS, beginning of year	262,769,008	240,231,045	222,802,286
NET ASSETS, end of year	\$ 274,501,265	\$ 262,769,008	\$ 240,231,045

**Western University of Health Sciences
Statement of Financial Position**

	As of June 30,		
	2025	2024	2023
ASSETS			
Cash and cash equivalents	\$ 9,166,719	\$ 7,585,312	\$ 6,578,942
Accounts receivables, net	8,544,870	6,883,263	5,287,196
Prepaid expenses	4,282,648	3,440,883	2,551,717
Contributions receivable, net	9,954,514	7,975,638	313,424
Inventories	1,055,112	590,823	711,697
Other assets	345,028	2,427,552	2,457,775
Notes receivable, net	47,861,697	46,894,335	44,990,378
Investments	317,343,845	301,126,057	285,605,769
Operating lease right-of-use assets, net	56,293,643	56,642,602	59,930,196
Finance lease right-of-use assets, net	1,443,092	1,980,638	2,518,184
Property, plant and equipment, net	138,813,861	138,337,572	135,309,298
Total assets	<u>\$ 595,105,029</u>	<u>\$ 573,884,675</u>	<u>\$ 546,254,576</u>
LIABILITIES AND NET ASSETS			
Accounts payable and accrued liabilities	\$ 29,946,715	\$ 33,230,640	\$ 33,492,940
Accrued bond interest payable	282,406	289,014	340,920
Deposits for agency funds	648,256	657,822	663,521
Deferred revenues	29,110,896	27,767,160	26,278,457
Interest rate swap agreement	6,355,300	5,645,600	7,605,884
Liability on split interest agreements	311,416	515,350	619,928
Government advances for student loans	51,983,397	48,990,274	46,809,543
Operating lease liabilities	63,039,157	63,203,660	66,146,514
Finance lease liabilities	450,991	1,208,753	1,961,095
Bonds and notes payable, net	74,003,458	78,652,524	83,126,589
Total liabilities	<u>256,131,992</u>	<u>260,160,797</u>	<u>267,045,391</u>
NET ASSETS			
Without donor restrictions	274,501,265	262,769,008	240,231,045
With donor restrictions	64,471,772	50,954,870	38,978,140
Total net assets	<u>338,973,037</u>	<u>313,723,878</u>	<u>279,209,185</u>
Total liabilities and net assets	<u>\$ 595,105,029</u>	<u>\$ 573,884,675</u>	<u>\$ 546,254,576</u>

	Proforma ^(a)			
	<u>FYE 6/30/25</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Debt service coverage - Operating (x)	1.5	1.6	1.6	1.3
Debt service coverage - Net (x)	2.4	2.5	3.7	3.1
Debt to expendable net assets (x)	0.3	0.2	0.3	0.3
Expendable net assets to operations (x)		1.3	1.2	1.1
Margin (%)		1.2	1.3	0.2

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

Financial Discussion:

Western University demonstrates steady increases in total revenues over the review period, reflecting continued operational momentum.

Western University reported solid growth with Total revenues increasing nearly 12% over the review period, from approximately \$232.3 million in FY 2023 to \$259.7 million in FY 2025. Student tuition, which comprises 82% of total revenues, remains the primary revenue driver and experienced moderate growth, rising from approximately \$197.2 million in FY 2023 to nearly \$212.5 million in FY 2025. According to Western University's management, this growth in tuition revenue was driven by steady growth in new students over the 3-year period, increasing from 1,022 new students in Fall 2023 to 1,111 new students in Fall 2025, resulting in an 8.7% increase in new student enrollment over the same period. Government contracts and grants also increased over the review period, growing from nearly \$8.7 million in FY 2023 to over \$10.4 million in FY 2025. According to management, Western University increased its investment in its centralized Office of Sponsored Projects, which led to increased federal and private grant-award success. As a teaching facility, Western University provides health services in southern California and Portland, Oregon, supporting both educational and patient care missions. Net patient revenue demonstrated strong growth of 17.1% over the review period, increasing from approximately \$7.8 million in FY 2023 to nearly \$9.2 million in FY 2025. This growth was the result of expanded specialty dental services, podiatric medicine practice growth, and both primary and specialty care growth.

Western University maintained positive operating margins as Total expenses grew at a similar pace to Total revenues. Overall, Total expenses grew 10.7%, increasing from nearly \$231.9 million in FY 2023 to approximately \$256.6 million in FY 2025. Compensation and benefits make up about two-thirds of Total expenses and grew from over \$151.9 million in FY 2023 to approximately \$170.9 million in FY 2025. According to management, Western University increased the compensation levels for many faculty staff after a study determined that about 25% of the faculty fell below the minimum market-standard competitive rate for their positions. Western University also increased staff in critical areas, such as Advancement (Philanthropy) to enhance philanthropic revenue results as well as in the medical school to ensure continued capacity growth in the university's largest college. Additionally, Western University experienced inflationary increases in employee healthcare benefits costs, which was in line with the overall market increases experienced by many institutions over the same period.

The Change in net assets from non-operating activities had a significant drop from about \$19.5 million in FY 2024 to approximately \$8.7 million in FY 2025, which was primarily due to a \$4.4 million redesignation of Net Assets in FY 2024, as well as a \$2.0 million reduction in the value of Western University's interest rate swap liability, neither of which were present in FY 2025.

Western University appears to maintain an adequate balance sheet supported by a pro-forma FY 2025 operating debt service coverage ratio of 1.5x.

Total assets increased by approximately 9% over the review period from roughly \$546.3 million in FY 2023 to roughly \$595.1 million in FY 2025. Cash and cash equivalents displayed notable growth from approximately \$6.6 million in FY 2023 to approximately \$9.2 million in FY 2025, a 39% increase. According to Western University's management, the increase reflects strong operating performance, as a portion of Net income generated is retained in cash at the end of each fiscal year. Investments, Western University's largest asset, also showed solid gains, increasing from approximately \$285.6 million in FY 2023 to more than \$317.3 million in FY 2025. According to Western University's management, the increase in investments is attributed to a combination of strong investment returns along with endowment returns exceeding 10% in both FY 2024 and FY 2025.

Western University has demonstrated the ability to repay its debts with an operating debt service coverage ratio (DSCR) of 1.3x in FY 2023 and 1.6x in both FYs 2024 and 2025. With the issuance of the proposed 2026 bonds, Western University's proforma FY 2025 operating DSCR decreases slightly to 1.5x. Western University has demonstrated a low reliance on debt financing with a debt to expendable net assets ratio of 0.3x in FY 2023 and FY 2024 and decreasing to 0.2x in FY 2025. Incorporating the 2026 CEFA bonds, Western University's proforma FY 2025 debt to expendable net assets returns to 0.3x.

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IV. BACKGROUND

General:

Western University is a non-profit, accredited, independent institution of higher learning and an academic health center, whose main campus is located on 25 acres in Pomona, California. Founded in 1977 as the College of Osteopathic Medicine of the Pacific, a four-year medical school educating osteopathic physicians, the institution has expanded its mission by offering primary care-focused educational programs in the allied health professions, pharmacy and advanced nursing. In 1996, the institution officially became a university and changed its name to Western University of Health Sciences. For the fall semester of 2025, approximately 3,700 students were enrolled in Western University's eight colleges.

Administration:

Western University is governed by a self-perpetuating Board of Trustees (the “Board”) comprised of not less than three nor more than 20 voting members (including the President of Western University, who is a member of the Board by office) and 12 nonvoting Trustee Emeriti. At present, there are 18 voting Trustees (including the President) and two vacancies on the Board.

Accreditations:

Western University has been accredited by the WASC Senior College and University Commission since 1996. In addition, certain Western University’s educational programs have received specialized accreditation from other appropriate professional agencies. Pursuant to its various program accreditations, Western University has limitation on maximum entering class sizes for new enrollments in its various programs.

Academic Programs:

Western University offers 25 academic programs across its eight colleges, which include the College of Dental Medicine, offering a Doctor of Dental Medicine degree; the College of Osteopathic Medicine, offering the Doctor of Osteopathic Medicine degree; the College of Graduate Nursing, offering degrees in Doctor of Nursing Practice and Master of Science in Nursing; the College of Health Sciences offering degrees in Doctor of Physical Therapy and Masters of Science in Physician Assistant Studies and Medical Sciences; the College of Optometry offering a Doctor of Optometry degree; the College of Podiatric Medicine, offering a Doctor of Podiatric Medicine degree; the College of Pharmacy, offering degrees in Doctor of Pharmacy, PhD in Biotechnology and Pharmaceutical Sciences, and Master of Science in Biotechnology and Pharmaceutical Sciences; and the College of Veterinary Medicine, offering a Doctor of Veterinary Medicine degree.

V. OUTSTANDING DEBT

	Original Issue Amount	Amount Outstanding as of 06/30/2025	Estimated Amount Outstanding After Proposed Financing
Existing Debt			
CSCDA, Series 2007A	\$ 85,800,000	\$ 66,175,000	\$ -
Wells Fargo Term Loan, 2021 ^(a)	12,000,000	5,142,856	-
Proposed Financing			
CEFA Revenue Bonds, Series 2026			100,000,000
Total		\$ 71,317,856	\$ 100,000,000

^(a) Western University will pay off the Wells Fargo Term Loan at or prior to closing the Series 2026 bonds.

VI. DUE DILIGENCE:

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

- **Eligibility:** Staff has reviewed and confirmed that Western University meets the Authority’s eligibility requirements.
- **Legal Review:** Western University completed and submitted documentation responsive to the Authority’s Legal Status Questionnaire.
- **Compliance with Education Code section 94212(b) (California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.)):** Western University submitted the required 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. 336 in an amount not to exceed \$100,000,000 for Western University of Health Sciences, 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

- 150 - 196 and 287 East Third Street, Pomona, CA 91766
- 300 South Park Avenue, Pomona, CA 91766
- 309, 390, 479, 505, 637, 661, 689, 701, and 795 East Second Street, Pomona, CA 91766
- Pedestrian walkways located between 637 East Second Street and Towne Avenue, Pomona, CA 91766
- 400 N. Pepper Avenue, Colton, CA 92324

EXHIBIT 2

Financing Team

Western University of Health Sciences

Borrower:	Western University of Health Sciences
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:	Nixon Peabody LLP
Borrower's Financial & Swap Advisor:	Evercrest Advisors, LLC
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Underwriter:	Wells Fargo Bank, N.A.
Underwriter's Counsel:	Hawkins Delafield & Wood LLP
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Trustee's Counsel:	The Bank of New York Mellon Trust Company, N.A.
Rating Agency:	Moody's Investors Service, Inc.
Auditor:	Grant Thornton LLP

RESOLUTION NO. 336

**RESOLUTION OF THE
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING THE ISSUANCE OF REVENUE BONDS
TO FINANCE AND REFINANCE PROJECTS
AT THE EDUCATIONAL FACILITIES OF
WESTERN UNIVERSITY OF HEALTH SCIENCES**

April 30, 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 Western University of Health Sciences (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 Statewide Communities Development Authority (“CSCDA”), the Borrower caused the issuance by CSCDA of its Variable Rate Demand Revenue Bonds (Western University of Health Sciences), Series 2007A (the “Prior Bonds”), in the aggregate principal amount of \$104,900,000, of which \$66,175,000 is currently is outstanding, the net proceeds of which were loaned to the Borrower to finance or 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 \$100,000,000 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 redeem the Prior Bonds, (ii) to acquire and construct projects (as defined in the Act), as more particularly described under the caption “New Project” in Exhibit A hereto (the “New Project” and, together with the Prior Project, the “Project”), and (iii) to 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 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 (Western University of Health Sciences), Series 2026” (the “Bonds”), or such similar name as approved by the Executive Director of the Authority or her or his designee, in a total aggregate principal amount not to exceed \$100,000,000, 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 (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 or placement, 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 refinancing of the Prior Project 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,” is comprised of the following components:

- (1) New Project - financing (i) the costs to acquire, improve and equip certain properties located at 150 - 196 East Third Street, Pomona, California, consisting of that structure known as The Armstrong Building and related adjacent and nearby surface parking lots for the purpose of extending and expanding the Borrower’s Pomona campus located at 309 East Second Street, Pomona, California (the “Campus”) to include educational and health services facilities and amenities and approximately 9 units of university (post-doctoral fellow and visiting professor) residences in the proximity of the Campus; (ii) the costs to acquire and improve an approximately 120,000 square-foot property located at 300 South Park Avenue, Pomona; and (iii) the costs to improve and renovate a portion of an existing Campus facility to serve as a dental training and treatment clinic;
- (2) Prior Project – refunding the California Statewide Communities Development Authority Variable Rate Demand Revenue Bonds (Western University of Health Sciences) Series 2007A, the proceeds of which were applied to refunding then outstanding obligations of the Borrower, the proceeds of which were applied to finance and refinance the costs of the acquisition, improvement, renovation and equipping of educational facilities for the benefit of the Borrower;
- (3) funding working capital including the termination of interest rate swap agreements relating to the Prior Bonds; and
- (4) paying Costs of Issuance of the Bonds.