

## RESOLUTION NO. FPFA-XX

A RESOLUTION OF THE FULLERTON PUBLIC FINANCING AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF BONDS IN AN AMOUNT NOT TO EXCEED \$35,000,000 FOR THE PURPOSE OF MAKING A LOAN TO MARSHALL B. KETCHUM UNIVERSITY, FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF CERTAIN PROPERTY, PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, the City of Fullerton Public Financing Authority (the "Authority") was organized pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended (the "Act"), and a Joint Exercise of Powers Agreement, dated as of June 2, 1998 (as amended from time to time, the "Joint Powers Agreement"), between the City of Fullerton (the "City") and the former Fullerton Redevelopment Agency (the "RDA").

WHEREAS, the Authority is authorized by its Joint Powers Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements or enter into loan agreements to finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

WHEREAS, Marshall B. Ketchum University, a California nonprofit public benefit corporation (the "Corporation"), previously known as the Southern California College of Optometry, previously financed certain educational facilities, which are presently owned and operated by the Corporation, through the execution and delivery of (a) the City of Fullerton Public Financing Authority Revenue Bonds (Marshall B. Ketchum University) Series 2015A in the aggregate original principal amount of \$25,600,000 and (b) the City of Fullerton Public Financing Authority Revenue Bonds (Marshall B. Ketchum University) Series 2015B (Taxable) in the aggregate original principal amount of \$10,400,000 (collectively, the "Refunded Bonds"), the proceeds of which were used to (i) finance and refinance all or a portion of the costs of the acquisition, construction, improvement, renovation, furnishing and equipping of certain educational facilities for the Corporation and facilities related and appurtenant thereto, consisting of a 80,998 gross square foot, two story building, located at 5460 East La Palma Avenue, Anaheim, California 92807 (the "Anaheim Facility"); (ii) finance and refinance all or a portion of the costs of the acquisition, construction, improvement, renovation, furnishing and equipping of educational facilities of the Corporation located at 2575 Yorba Linda Boulevard, Fullerton, California 92831, including a library and lecture hall, parking and maintenance facilities and lab and clinic renovations for physician assistant and pharmacy programs and other campus facilities and improvements and (iii) finance or refinance all or a portion of the costs of the acquisition of student and faculty housing, in the vicinity of the Corporation's

campus located at 2029 Woodbriar Court, 2016 Ravenhill Court and 2025 Ravenhill Court, Fullerton, California 92831 (collectively, the “Fullerton Facilities”, and together with the Anaheim Facility, the “Facilities”);

WHEREAS, the Corporation has applied for the financial assistance of the Authority in order to (a) current refund the outstanding Refunded Bonds and (b) pay certain costs of issuance in connection with the Bonds (as defined below) (collectively, the “Project”);

WHEREAS, a portion of the Facilities is located within the territorial limits of the City of Fullerton, California (the “City”) and a portion of the Facilities is located within the territorial limits of the City of Anaheim and a substantial number of the persons to be utilizing the services to be provided at the Corporation are expected to be residents of the City and a substantial portion of the persons to be employed by the Corporation are expected to be residents of the City.

WHEREAS, the financing of the Project including the current refunding of the Refunded Bonds will promote significant and growing opportunities for the creation and retention of employment to the California economy and the enhancement of the quality of life to residents of the City and will promote opportunities for the creation or retention of employment within the jurisdiction of the City and is within the powers conferred upon the Authority by its Joint Powers Agreement.

WHEREAS, pursuant to an Indenture, dated as of a to be determined date (the “Indenture”), between the Authority and Wilmington Trust, National Association (the “Trustee”), the Authority will issue its (i) City of Fullerton Public Financing Authority Refunding Revenue Bonds (Marshall B. Ketchum University), Series 2021A (the “Series 2021A Bonds”) and (ii) City of Fullerton Public Financing Authority Refunding Revenue Bonds (Marshall B. Ketchum University), Series 2021B (Taxable) (the “Series 2021B Bonds” and together with the Series 2021A Bonds, the “Bonds”) for the purpose of financing the Project including current refunding the Refunded Bonds.

WHEREAS, pursuant to a Loan Agreement, dated as of a to be determined date (the “Loan Agreement”), between the Authority and the Corporation, the Authority will loan the proceeds of the Bonds to the Corporation (the “Loan”) for the purpose of financing the Project including current refunding the Refunded Bonds.

WHEREAS, the Bonds shall be sold to the Underwriter pursuant to a Bond Purchase Agreement, dated a to be determined date (the “Bond Purchaser Agreement”), by and among the Authority, the Corporation and Stifel Nicolaus & Company, Incorporated, as Underwriter of the Bonds (the “Underwriter”).

WHEREAS, the City has appropriately published or caused to be published a notice of public hearing and it has held the requisite public hearing pursuant to Section 147(f) of the Code on July 20, 2021 and has approved the issuance of the Bonds to provide financing for the Project including current refunding for the Refunded Bonds, to the extent the City is the appropriate jurisdiction for such approval pursuant to Section 147(f) of the Code.

WHEREAS, the City of Anaheim has appropriately published or caused to be published a notice of public hearing and it has held the requisite public hearing pursuant to Section 147(f) of the Code on July 13, 2021 and has approved the issuance of the Bonds to provide financing for the Project including current refunding for the Refunded Bonds, to the extent the City of Anaheim is the appropriate jurisdiction for such approval pursuant to Section 147(f) of the Code.

WHEREAS, there have been presented to this meeting the following documents and agreements:

- (1) A proposed form of the Indenture
- (2) A proposed form of the Loan Agreement
- (3) A proposed form of the Bond Purchase Agreement
- (4) A proposed form of a Preliminary Official Statement (the "Official Statement") relating to the Bonds.

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Loan, attached hereto as Attachment I, has been presented to the Authority by the Corporation based on a good faith estimates by the Underwriter.

THE BOARD OF DIRECTORS OF THE AUTHORITY RESOLVES AS FOLLOWS:

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue the Bonds in a combined aggregate principal amount not to exceed \$35,000,000. The Bonds shall be issued and secured in accordance with the terms of, and shall be substantially in the form or forms set forth in, the Indenture presented at this meeting. The Bonds shall be executed by the manual or facsimile signature of a member of the Board (each a "Board Member" and together, the "Board Members").

Section 2. The proposed form of Indenture, as presented to this meeting, is hereby approved. Any Board Member, the Executive Director and the Chief Financial Officer and any designee of the foregoing (each, an "Authority Representative") are hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authority Representative, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Trustee and the dated date, maturity dates or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 3. The proposed form of Loan Agreement, as presented to this meeting, is hereby approved. Any Authority Representative is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially said form, with such changes and insertions therein as such Authority Representative,

with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of the Official Statement, as presented to this meeting, is hereby approved. Any Authority Representative is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Official Statement, in substantially said form, with such changes and insertions, and the final pricing of and other information relating to the Bonds, therein and as such Authority Representative, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of the Bond Purchase Agreement, as presented to this meeting, is hereby approved. Any Authority Representative is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement, in substantially said form, with such changes and insertions therein and as such Authority Representative, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that (i) the true interest cost payable with respect to the Bonds shall not exceed 4.00% per annum and the maturity date shall not exceed forty-one years from the date of issuance of the Bonds.

Section 6. The Bonds, when executed as provided in Section 1, 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, in accordance with written instructions executed on behalf of the Authority by an Authority Representative, which Authority Representative, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Trustee upon payment of the purchase price thereof.

Section 7. The Authority Representatives and other appropriate officers and agents of the Authority each individually are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution.

Section 8. The Authority hereby desires to declare its official intent, pursuant to 26 C.F.R. § 1.150-2, to issue the Bonds and thereby permit the Authority and the Corporation to reimburse themselves from proceeds of the Bonds for certain expenditures incurred in connection with the Project prior to issuance of the Bonds.

Section 9. All actions heretofore taken by the Authority Representatives and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 10. Anything herein to the contrary notwithstanding, the Bonds are not authorized to be issued prior to the approval by the City of Anaheim of the issuance of the Bonds to provide financing for the Project, to the extent the City of Anaheim is the appropriate jurisdiction for such approval pursuant to Section 147(f) of the Code.

Section 11. This Resolution shall take effect from and after its adoption.

ADOPTED BY THE CITY OF FULLERTON PUBLIC FINANCING AUTHORITY  
ON JULY 20, 2021.

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Bruce Whitaker  
Mayor

ATTEST:

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Lucinda Williams, MMC  
Secretary

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Date

## Attachment I

### PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Marshall B. Ketchum University, a California nonprofit public benefit corporation (the "Corporation"), has provided the following required information to the City of Fullerton Public Financing Authority (the "Authority"), as conduit financing provider, prior to the Authority's regular meeting on July 20, 2021 (the "Meeting") of its Board of Directors (the "Board") at which Meeting, the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$35,000,000 (the "Obligations").

1. Stifel Nicolaus & Company, Incorporated, as underwriter of the Obligations (the "Underwriter"), provided the Corporation with the required good faith estimates relating to the Obligations as follows:
  - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 3.500%.
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$900,000.
  - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$33,000,000.
  - D. The total payment amount, which means the sum total of all payments the Corporation will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$55,000,000.
2. The good faith estimates provided above were presented to the governing board of the Corporation, or presented to the official or officials or committee designated by the governing board of the Corporation to obligate the Corporation in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Corporation having authority to obligate the Corporation in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the

Obligations. Market interest rates are affected by economic and other factors beyond the control of the Corporation.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.