CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
BOND FINANCING PROGRAM
EXECUTIVE SUMMARY

Applicant/ Borrower:	University of Massachusetts Global (UMass Global) 65 Enterprise, Suite 150 Aliso Viejo, CA 92656 Orange County	**Amount Requested:** **Date Requested:** **Resolution Number:**	$76,500,000 July 30, 2026 337
Facility Type:	Private, nonprofit university		
Project Site:	65 Enterprise, Suite 150, Aliso Viejo, CA 92656		
Accreditation:	Western Association of Schools and Colleges and University Commission		
Prior Borrower:	No		
Guarantor:	University of Massachusetts		

Background: UMass Global was established in September 2021 following the University of Massachusetts' (UMass) acquisition of Brandman University from Chapman University. Brandman University was originally founded as a college within Chapman University in 1958. Today, UMass Global is a fully online institution of higher learning offering 55 academic programs, including associate, bachelors, masters, and graduate degrees as well as certificate and credentialling programs.

Use of Proceeds: Bond proceeds will be used to refinance a note used in connection with financing part of the 2021 purchase of Brandman University from Chapman University.

Type of Issue: Public offering, tax-exempt and/or taxable fixed rate
Expected Credit Ratings: UMass as Guarantor: Aa2 (Moodys)
UMass Global Series 2026 bonds: Aa3 to A1 (Moodys)
Financing Team: See Exhibit 1 to identify possible conflicts of interest

Financial Overview: UMass Global's income statement appears to demonstrate improving operations with growth in operating revenues over the review period. UMass Global appears to have an adequate balance sheet with a proforma FY 2025 net debt service coverage ratio of 1.2x. UMass demonstrates an increase in net position at the end of each year throughout the review period. UMass demonstrates a solid balance sheet with a DSCR of 3.6x in FY 2025.

Estimated Sources of Funds:			Estimated Uses of Funds:		
Bond Proceeds	$	76,500,000	Note Refinancing	$	75,000,000
			Costs of Issuance		1,500,000
Total Estimated Sources	$	76,500,000	**Total Estimated Uses**	$	76,500,000

Due Diligence: Staff has confirmed the documentation provided by UMass Global 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. 337 in an amount not to exceed $76,500,000 for University of Massachusetts Global, 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 recommendation.

STAFF SUMMARY, ANALYSIS, AND RECOMMENDATION

I. PURPOSE OF FINANCING

In September 2021, UMass acquired Brandman University (now known as UMass Global) from Chapman University with Chapman University providing three notes to finance the transaction. The three notes consisted of a working capital note, a building note, and a change-in-control note. In FY 2023, the building was sold, and the building note was retired, and the working capital note was paid in full on June 30, 2026. UMass Global is now requesting the Authority to issue tax-exempt and/or taxable bonds in an amount not to exceed $76,500,000 to refinance the change-in-control note. The refinancing will convert the debt from a short-term note held by Chapman University, which is set to mature in 2031, to a traditional long-term bond.

Note Refinance .... **$ 75,000,000**

Bond proceeds will be used to refinance the change-in-control note held by Chapman University, which included intangible assets such as goodwill, enrolled student body, accreditations, and other assets. The refinance will extend the term, reduce the payment amount, and free up cash flow that would have been used to pay off the note. UMass Global will be the borrower, and UMass will provide a guaranty of principal and interest for repayment of the new bonds.

Financing Costs **1,500,000**

Cost of Issuance...	$750,000
Underwriter's Discount..............................	750,000

TOTAL USES OF FUNDS.. **$76,500,000**

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 such changes at an Authority board meeting.

After reviewing UMass and UMass Global's credit and financial profiles, current bond documents, prior bond transactions, their offering documents, and considering what the market will support, UMass Global; KNN Public Finance LLC, the Authority's municipal advisor; and the underwriter of the proposed bonds have concluded that the covenants listed below should be applicable to this transaction. UMass Global'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*[1] *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 the proposed financing and found these documents and proposed covenants to be acceptable.

[1] Capitalized terms are defined in the Indenture.

III. FINANCIAL ANALYSIS

University of Massachusetts Global

Statement of Revenues, Expenses, and Changes in Net Position

(Income Statement)

	For the years ended June 30,		
	2025	**2024**	**2023**
Operating revenues:			
Tuition and fees (net of University scholarship allowances)	$103,536,603	$101,643,723	$ 98,254,502
Auxiliary enterprises	439,211	1,086,798	1,383,867
Other operating revenues	15	110,955	26,102
Federal grants	3,377,844	-	-
Total operating revenues	107,353,673	102,841,476	99,664,471
Operating expenses:			
Compensation and benefits	60,033,365	59,636,314	74,952,673
Supplies and services	36,437,721	37,506,842	38,303,768
Depreciation and amortization	4,389,097	5,717,710	7,343,261
Total operating expenses	100,860,183	102,860,866	120,599,702
Operating gain (loss)	6,493,490	(19,390)	(20,935,231)
Nonoperating revenues (expenses):			
Federal grants	-	(100,650)	(128,112)
Private gifts and grants	-	3,029,794	637,729
Investment income	942,877	531,862	77,091
Interest on indebtedness and leases	(2,332,545)	(2,367,324)	(2,560,149)
Gain (loss) on disposal of capital assets	(731,074)	(268,626)	183,830
Other losses	(1,682)	-	-
Other gains	-	232,838	4,893,427
Total nonoperating revenues (expenses), net	(2,122,424)	1,057,894	3,103,816
Decrease (increase) in net deficit	4,371,066	1,038,504	(17,831,415)
Net deficit at beginning of year	(81,157,674)	(82,198,178)	(64,364,763)
Net deficit at end of year	$ (76,786,608)	$ (81,157,674)	$ (82,198,178)

University of Massachusetts Global
Statement of Net Position
(Balance Sheet)

	As of June 30,		
Assets	**2025**	**2024**	**2023**
Current assets:			
Cash	$ 32,166,399	$ 27,770,250	$ 24,404,410
Restricted cash	-	-	51,664
Accounts receivable, net	5,217,399	12,076,036	9,820,442
Prepaid expenses and other	836,904	977,736	1,809,320
Total current assets	38,220,702	40,824,022	36,085,836
Noncurrent asseets:			
Capital assets, net	6,098,300	10,342,198	17,901,829
Total noncurrent assets	6,098,300	10,342,198	17,901,829
Total assets	$ 44,319,002	$ 51,166,220	$ 53,987,665
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	$ 8,373,833	$ 8,341,745	$ 9,189,362
Unearned revenues	10,935,294	15,288,129	14,524,085
Lease liabilities, current portion	2,210,528	3,116,229	5,204,795
Notes payable, current portion	10,000,000	6,100,000	-
Total current liabilities	31,519,655	32,846,103	28,918,242
Noncurrent liabilities:			
Lease liabilities, noncurrent portion	1,263,127	3,075,107	100,624,285
Notes payable, noncurrent portion	88,322,828	96,402,684	6,641,315
Total noncurrent liabilities	89,585,955	99,477,791	107,265,600
Total liabilities	121,105,610	132,323,894	136,183,842
Net Position (Deficit)			
Net investment in capital assets	2,624,645	4,150,860	6,055,720
Restricted - expendable	304,080	219,037	422,742
Unrestricted	(79,715,333)	(85,527,571)	(88,674,640)
Total net position (deficit)	$ (76,786,608)	$ (81,157,674)	$ (82,196,178)

	Proforma FYE June 30, 2025	**2025**	**2024**	**2023**
Debt Service Coverage by Operating Income (x)	1.6	0.9	0.8	(1.4)
Debt Service Coverage by Net Assets (x)	1.2	1.0	1.2	(0.8)
Debt to Expendable Net Assets (x)	(1.0)	(1.3)	(1.3)	(1.3)
Expendable Net Assets to Operations		(0.8)	(0.8)	(0.7)
Margin (%)		6.0	(0.0)	(21.0)

Financial Discussion – University of Massachusetts Global

UMass Global's income statement appears to demonstrate improving operations with growth in operating revenues over the review period.

UMass Global's Total operating revenues steadily increased each year of the review period, from nearly $99.7 million in FY 2023 to $102.8 million in FY 2024, and then to approximately $107.4 million in FY 2025. Tuition and fees revenue made up more than 95% of UMass Global's Total operating revenue and increased 5.4%, from nearly $98.3 million in FY 2023 to about $103.5 million in FY 2025. According to UMass Global's management, increases in Tuition and fees revenue were primarily driven by increased graduate student enrollments in California. In FY 2025, UMass Global received nearly $3.4 million in Federal grant revenue, which was not a revenue source in FYs 2023 or 2024. In FY 2025, UMass Global participated in the Good Jobs Challenge, which is a federal grant designed to create partnerships to train workers for specified jobs.

UMass Global was also able to further improve its operating results by decreasing its Total operating expenses by about 16.4% over the review period, helping to reverse an approximate $20.9 million operating loss in FY 2023 to an operating gain of nearly $6.5 million in FY 2025. Compensation and benefits, UMass Global's largest expense, decreased from nearly $75 million in FY 2023 to approximately $60 million in FY 2025. This decrease was a result of UMass Global's strategic decision to close many of its campus locations and to reduce its workforce. These locations had primarily served students face-to-face and were unfavorably impacted by the COVID-19 pandemic that resulted in many students moving to an online modality for their learning. Supplies and services experienced a more modest decrease of 4.9%, from about $38.3 million in FY 2023 to approximately $36.4 million in FY 2025. The decrease in Supplies and services was primarily driven by a reduction in third-party consulting and legal services expense. The higher level of spending in FY 2023 was a result of higher consulting and regulatory legal fees that remained following the change of control from Chapman University.

UMass Global appears to have an adequate balance sheet with a proforma FY 2025 net debt service coverage ratio of 1.2x.

UMass Global has maintained a strong and growing cash position throughout the review period, with over $24.4 million in FY 2023, nearly $27.8 million in FY 2024, and approximately $32.2 million in FY 2025. UMass Global's strategic expense management resulted in these increases during the review period.

UMass Global's net debt service coverage ratio (DSCR) improved from negative 0.8x in FY 2023 to an adequate 1.2x in FY 2024 and 1.0x in FY 2025. While UMass Global's annual debt payments remained relatively consistent, the positive net DSCR in FY 2024 and FY 2025 can be attributed to the turn-around in net income available to pay debt service, from a net loss in FY 2023 to a net gain in FYs 2024 and 2025. With the 2026 Bonds refinancing existing debt, UMass Global's proforma FY 2025 net DSCR increases to 1.2x.

Although showing improvements through the review period, UMass Global carried a net deficit in all three fiscal years, which resulted in the debt-to-expendable net assets ratio also being negative each fiscal year. UMass Global's management explained that UMass Global moved from a positive net position to a net deficit during the transition of Brandman University largely due to the addition of long-term debt obligations to the UMass Global balance sheet. UMass Global incurred annual operating deficits in FYs 2022 and 2023, which further reduced its net position. However, UMass Global has since generated positive net income in FYs 2024 and 2025, which have begun to partially offset the net deficit.

Note: University of Massachusetts Global is a blended component unit of University of Massachusetts. As such, the audited financial statements of University of Massachusetts Global are incorporated into the financial statements of University of Massachusetts below.

University of Massachusetts
Statement of Revenues, Expenses, and Changes in Net Position
(Income Statement)
($ in thousands)

	For the Years Ended June 30,		
	2025	**2024**	**2023**
Operating Revenues			
Tuition and fees (net of scholarship allowances)	$ 1,044,796	$ 1,021,621	$ 1,042,664
Auxiliary enterprises (net of scholarship allowances)	486,257	467,457	475,591
Grants and contracts	856,066	823,037	746,350
Sales and services, educational activities	33,941	36,170	41,388
Other operating revenues: Sales and services, independent operations	47,992	58,052	66,955
Other operating revenues: Sales and services, public service activities	518,169	334,856	377,375
Other	145,909	146,192	121,654
Total operating revenues	3,133,130	2,887,385	2,871,977
Expenses			
Operating expenses			
Compensation and benefits	2,514,131	2,423,054	2,262,810
Supplies and services	1,333,780	1,120,145	1,138,310
Scholarships and fellowships	33,704	29,463	62,237
Depreciation and amortization	417,821	361,126	344,872
Total operating expenses	4,299,436	3,933,788	3,808,229
Operating loss	(1,166,306)	(1,046,403)	(936,252)
Nonoperating revenues (expenses)			
Federal appropriations	6,581	6,342	6,255
State appropriations	1,210,029	1,151,020	1,011,360
Gifts	49,430	47,350	43,881
Investment return, net	127,101	100,133	68,155
Endowment return used for operations	58,981	49,261	43,774
Interest expense	(135,963)	(132,442)	(129,132)
Nonoperating federal grants	114,628	91,175	100,533
Other nonoperating income	16,082	12,159	9,456
Net nonoperating revenues	1,446,869	1,324,998	1,154,282
Gain before other revenues, expenses, gains, and losses	280,563	278,595	218,030
Other revenues, expenses, gains, and losses			
Capital appropriations	120,511	152,596	29,690
Capital grants, contracts and gifts	15,375	6,554	11,526
Endowment return, net of amount used for operation	103,509	91,496	72,718
Other deductions, net	(42,837)	(23,598)	(35,944)
Total other revenues, expense, gains, and losses	196,558	227,048	77,990
Total increase in net position	477,121	505,643	296,020
Net position			
Net position at beginning of year, as restated	3,521,363	3,015,720	2,747,952
Net position at end of year	$ 3,998,484	$ 3,521,363	$ 3,015,720

University of Massachusetts
Statement of Net Position
(Balance Sheet)
(in thousands)

	As of June 30, 2025	2024	2023
Assets			
Current assets			
Cash and cash equivalents	$ 152,863	$ 119,755	$ 148,803
Cash held by state treasurer	35,241	31,147	31,211
Deposits with bond trustees	-	-	9,581
Accounts receivable, net	342,014	430,451	324,547
Lease receivable	18,283	18,224	15,145
Short-term investments	709,312	728,223	646,473
Other current assets	41,080	49,740	53,845
Total current assets	1,298,793	1,377,540	1,229,605
Noncurrent assets			
Cash held by state treasurer	21,763	14,143	10,915
Deposits with bond trustees	385,709	446,844	348,706
Accounts receivable, net	30,111	34,373	39,573
Lease receivable	274,210	286,061	301,213
Long-term investments	1,837,954	1,541,994	1,364,207
Other assets	4,383	6,870	13,820
Capital assets, net	6,018,511	5,927,589	5,615,301
Total noncurrent assets	8,572,641	8,257,874	7,693,735
Total assets	9,871,434	9,635,414	8,923,340
Deferred outflows of resources	$ 344,170	$ 482,567	$ 603,926
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	$ 496,109	$ 471,576	$ 420,379
Unearned revenues and advances	147,576	149,745	138,381
Lease and subscription liability, current portion	22,971	19,991	19,631
Long-term debt, current portion	132,737	130,844	127,753
Commercial paper notes	52,817	58,067	37,250
Other current liabilities	70,713	51,706	63,834
Total current liabilities	922,923	881,929	807,228
Noncurrent liabilities			
Unearned revenues and advances	82,059	93,292	90,782
Lease and subscription liability, current portion	168,222	178,776	174,993
Long-term debt, current portion	3,223,523	3,376,102	3,360,817
Net pension liability	362,097	384,432	444,824
Net other postemployment benefits liability	408,128	408,875	559,807
Other long-term liabilities	121,397	117,956	105,602
Total noncurrent liabilities	4,365,426	4,559,433	4,736,825
Total liabilities	5,288,349	5,441,362	5,544,053
Deferred inflows of resources	928,771	1,155,256	939,241
Net position			
Net investment in capital assets	2,506,627	2,447,350	2,341,776
Restricted: Nonexpendable	12,144	17,776	17,648
Restricted: Expendable	290,814	256,018	265,329
Unrestricted	1,188,899	800,219	419,219
Total net position	$ 3,998,484	$ 3,521,363	$ 3,043,972

Financial Ratio Calculations	**2025**	**2024**	**2023**
Debt Service Coverage by Operating Income (x)	(2.6)	(2.4)	(2.2)
Debt Service Coverage by Net Assets (x)	3.6	3.6	2.8
Debt to Expendable Net Assets (x)	2.2	3.3	5.0
Expendable Net Assets to Operations	0.3	0.3	0.2
Margin (%)	(37.2)	(36.2)	(32.6)

Financial Discussion – University of Massachusetts as Guarantor for UMass Global

UMass demonstrates an increase in net position at the end of each year throughout the review period.

Tuition and fees and Grants and contracts were the largest contributors of steady revenues over the review period for UMass. Tuition and fees remained constant at around $1 billion during each fiscal year. Grants and contracts grew at around 15%, from approximately $746 million in FY 2023, up to around $823 million in FY 2024, then increased again to $856 million in FY 2025.

As a public institution of the Commonwealth of Massachusetts, UMass also receives state appropriations, which are mainly used to fund UMass employee payroll. Increased state appropriations of approximately 20% over the review period drove the incr*ease in nonoperating revenues from around $1.2 billion in FY 2023, to over $1.3 billion in FY 2024, and increased to over $1.4 billion in FY 2025. Tuition and fees and State appropriations along with Auxiliary enterprises revenues (which include housing and dining revenue) make up 63% of the University's operating revenue.

Total operating expenses exceeded revenues and resulted in operating losses over the review period. Compensation and benefits, UMass' largest expense, increased by 11% over the review period from just over $2.3 billion in FY 2023, up to approximately $2.4 billion in FY 2024, then increased again to over $2.5 billion in FY 2025. Supplies and services, UMass' second largest expense, increased slightly from about $1.1 billion in FY 2023 to over $1.3 billion in FY 2025.

UMass demonstrates a solid balance sheet with a DSCR of 3.6x in FY 2025.

As Guarantor of UMass Global's 2026 Bonds, UMass has consistently maintained a solid net DSCR throughout the review period, with 2.9x in FY 2023 and 3.6x in both FY 2024 and FY 2025. UMass' debt-to-expendable net assets ratio improved over the review period, from 5.4x in FY 2023 to 3.5x in FY 2024, and then to 2.4x in FY 2025. The improvements were a result of increasing net assets without restriction in conjunction with decreasing total debt.

IV. BACKGROUND

General

UMass Global is a California 501(c)(3) public benefit corporation that offers online educational services through a robust and scalable service and technology platform to deliver a wide variety of online certificate and degree programs. UMass Global, formerly known as Brandman University, was originally formed in 1958 as a college within Chapman University to offer college-level classes to service members at the Marine Corps Air Station El Toro. Today, UMass Global is a fully online institution of higher education, offering more than 55 academic degree programs. Its goal is to become a key workforce development partner and to address the disruption to higher education by offering a diversity of undergraduate, graduate, credential, certificate, and non-degree credit programs. While UMass Global is a separate nonprofit corporation, UMass is its sole corporate member, and as such, the UMass Board of Trustees has certain governance powers regarding UMass Global.

Administration

UMass Global is governed by a Board of Regents composed of at least nine and no more than twenty members. The Regents include four ex-officio members drawn from the University of Massachusetts system leadership: the President of the University, the Chair of the Administration and Finance Committee of the University's Board of Trustees, the System Chancellor for Academic Programs, and the Chief Executive Officer for UMass Online, or designated alternates. No more than 49 percent of the Board may be "Interested Regents," defined as individuals recently compensated by the Institution or the Member, members of UMass Global's Board of Trustees, or close relatives of such persons, and the remaining Regents must meet independence requirements set out in the bylaws. All Regents serve four-year staggered terms that may be renewed for up to three consecutive terms. The Chair of the Board presides over the Board and Executive Committee and appoints committee members with Board approval.

Accreditations

UMass Global is accredited 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. It is also accredited by the California Commission on Teaching Credentialing, the Association for Advancing Quality in Educator Preparation, and the Council on Social Work Education.

Academic Programs

UMass Global offers 55 fully online undergraduate, graduate (including two professional doctoral programs), credential, certificate, and non-degree credit programs in the fields of education, arts and sciences, health and behavioral sciences, and business and professional studies. Its academic portfolio includes two associate degrees, 17 bachelor's degrees, 17 master's degrees, and two professional doctoral degrees across the disciplines of education, arts and sciences, health and behavioral sciences, and business and professional studies. In addition to its degree programs, UMass Global offers nine undergraduate and graduate certificate programs, eight education-related credentials, and five education-related authorizations designed to support workforce development and professional advancement. As of September 1, 2025, UMass Global had headcount enrollment of 15,609 and provided educational services to students across 49 states.

V. OUTSTANDING DEBT

	Original Issue Amount	Amount Outstanding as of 06/30/2025	Estimated Amount Outstanding After Proposed Financing
Existing Debt			
Chapman University - Change in Control Note	$ 96,000,000	$ 96,000,000	$ -
Chapman University - Working Capital Note[1]	21,100,000	10,000,000	-
Proposed Financing			
CEFA, Series 2026			76,500,000
Total		$ 106,000,000	$ 76,500,000

[1] The working capital note was paid in full on 6/30/2026.

VI. DUE DILIGENCE:

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

- **Eligibility:** Staff has reviewed and confirmed that UMass Global meets the Authority's eligibility requirements.
- **Legal Review:** UMass Global 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.)):** UMass Global 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. 337 in an amount not to exceed $76,500,000 for University of Massachusetts Global, 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 recommendation.

EXHIBIT 1

Financing Team

University of Massachusetts Global

Borrower:	University of Massachusetts Global
Guarantor:	University of Massachusetts
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:	Nixon Peabody LLP
Borrower's Financial Advisor:	PFM Financial Advisors LLC
Underwriter:	Wells Fargo Bank, N.A.
Underwriter's Counsel:	Hawkins Delafield & Wood LLP
Trustee:	U.S. Bank Trust Company, National Association
Trustee's Counsel:	Anderson Aquino LLP
Rating Agency:	Moody's Investors Service, Inc.
Auditor:	KPMG LLP

RESOLUTION NO. 337

RESOLUTION OF THE CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS TO FINANCE AND/OR REFINANCE PROJECTS AT THE EDUCATIONAL FACILITIES OF THE UNIVERSITY OF MASSACHUSETTS GLOBAL

July 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, University of Massachusetts Global (the "Borrower") is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California;

WHEREAS, the University of Massachusetts acquired Brandman University, a California nonprofit public benefit corporation, (now known as the Borrower) from Chapman University with Chapman University providing notes to finance the transaction, including a change-in-control note (the "Prior Note"), the proceeds of which financed all or a portion of the costs associated with the acquisition of a controlling interest in Brandman University, including control and ownership of the assets, liabilities, and operations of Brandman University, as more particularly described under the caption "Project" in Exhibit A hereto (the "Project");

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 $76,500,000 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 Note, (ii) to pay costs of issuance of the Bonds, and (ii) at the sole option of the Borrower, provide a bond reserve fund for 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 (UMass Global), Series 2026" (the "Bonds"), in a total aggregate principal amount not to exceed $76,500,000, 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 sale 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: a guaranty, 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) one or more Loan Agreements relating to the Bonds (the "Loan Agreement"), between the Authority and the Borrower;

(b) one or more Indentures relating to the Bonds (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee");

(c) one or more Purchase Contracts, 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) one or more preliminary official statements 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 guaranty, 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 a guaranty, credit and/or liquidity facilities, and/or another security arrangement, 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, Bonds, 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 Note together with notices and directions delivered in connection therewith; and (c) any agreement or commitment letter with respect to the provision of a guaranty, bond insurance, a letter of credit, a surety bond, a credit and/or a liquidity facility and/or another security agreement 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 all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the Uniform Electronic Transactions Act (California Civil Code section 1633.1, et. seq.) 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:

All or a portion of the costs associated with the acquisition of a controlling interest in Brandman University, a California nonprofit public benefit corporation (the "Acquired Entity"), including control and ownership of the assets, liabilities, and operations of the Acquired Entity. Assets include educational assets that relate to the Acquired Entity's offering of online degree and certificate programs, including (i) technology for delivering educational programs online; (ii) ongoing relationship with the Acquired Entity's enrolled students; (iii) existing regional and programmatic accreditations from nationally-known accreditation agencies; (iv) trade name that is widely recognized among prospective students and alumni; (v) faculty-developed course curriculum; (vi) library database, the library curriculum and academic support center; (vii) goodwill and an assembled workforce; and (viii) certain administrative facilities and equipment.

The Project relates to, benefits, or is otherwise to be located at 65 Enterprise, Suite 150, Aliso Viejo, California.