CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
BOND FINANCING PROGRAM

EXECUTIVE SUMMARY

Applicant:	Art Center College of Design ("Art Center") 1700 Lida Street Pasadena, CA 91103 Los Angeles County	**Amount Requested:** **Date Requested:** **Resolution Number:**	$68,000,000 July 9, 2014 297
Facility Type:	Private University		
Project Location:	Pasadena, CA		
Accreditation:	Western Association of Schools and Colleges		

Use of Proceeds: Bond proceeds will be used to refund the outstanding CEFA Series 2002A, Series 2002B, Series 2009, and Series 2012. In addition, bond proceeds will be used to acquire, construct, improve and/or equip certain facilities on the property located at 1111 South Arroyo Parkway, Pasadena, California.

Type of Issue:	Direct Bank Placement
Credit Enhancement:	N/A
Underlying Credit Rating:	Unrated (please see Guidelines discussion, Page 4)
Financing Team:	Please see Exhibit 1 to identify possible conflicts of interest

Environmental Benefits: Art Center outlined several key goals to ensure that the operations and infrastructure projects model best practices for learning by all members of the community. In order to achieve these goals, Art Center has developed and plans to implement solutions that involve using sustainable design principles, incorporating renewable energy sources and/or conserving resources, and improving energy efficiency, air quality and water.

Financial Overview: Art Center appears to maintain consistent operating results supported by tuition and fees over the review period. Art Center's financial strength appears sound with $120.9 million in total net assets for FY 2013, and a proforma debt service coverage ratio of 2.54x.

Sources of Funds:		**Uses of Funds:**	
Par Amount of Bonds	$68,000,000	Refunding	$45,680,000
		Project Fund	22,043,893
		Financing Costs	276,107
Total Sources	$68,000,000	Total Uses	$68,000,000

Legal Review: Although disclosures were made by the applicant, the information disclosed does not appear to detrimentally affect the financial viability or legal integrity of the applicant.

Staff Recommendation: Staff recommends the Authority approve Resolution No. 297 in an amount not to exceed $68,000,000 for Art Center College of Design as an unrated Direct Bank Placement. Macias, Gini & O'Connell, LLP, the Authority's financial analyst, and Public Financial Management, the Authority's financial advisor, concur with the Authority's staff recommendations.

STAFF SUMMARY AND RECOMMENDATION

Art Center College of Design ("Art Center")
July 9, 2014
Resolution No. 297

I. **PURPOSE OF FINANCING:** Art Center intends to use bond proceeds to refund several prior bond issuances for the purposes of extending repayment of principal payments on the prior bonds in order to maintain a comfortable margin on the debt service coverage. The Series 2014A and 2014B bonds will have level debt service payments and lower interest rates. A $135,000 per year savings is expected during the initial credit period. Additionally, the acquisition and renovation of the new facilities fits in with Art Center's master plan of expanding facilities and growth for the college.

Refunding...**$45,680,000**

Art Center plans to refund approximately $17.8 million of the bonds outstanding for the CEFA Series 2002A and 2002B bonds. The bonds were originally issued in March 2002 for approximately $24.6 million to refund certificates of participation and the acquisition and renovation of educational facilities.

The CEFA Series 2009 bonds were originally issued in July 2009, in the amount of $9.9 million. Art Center intends to refund the outstanding balance of approximately $9.2 million. Bond proceeds were used to reimburse expenditures related to the completion of the renovation projects for its South Campus. Bond proceeds were also used to refinance a taxable bank loan used to construct several projects located on the South Campus.

Art Center anticipates refunding the outstanding balance of the CEFA 2012 bonds. The CEFA 2012 bonds were originally approved in the amount of $21.0 million, which approximately $18.7 million is outstanding. The CEFA 2012 bonds were issued to finance the acquisition and renovations of property adjacent to its South Campus. Additionally, bond proceeds were used for improvements of two buildings located at Art Center's Hillside and South Campus.

Project Fund...**22,043,893**

Art Center intends to use the bond proceeds to acquire and renovate a six-story office building located at 1111 Arroyo Parkway. The building is located adjacent to Art Center's South Campus. Renovations will provide space for classrooms and administrative offices to accommodate existing and new programs. Art Center is focusing capital improvements at this location to accommodate planned enrollment growth.

Environmental Benefits:
Art Center College of Design outlined several key goals to ensure that the operations and infrastructure projects model best practices for learning by all members of the community. In order to achieve these goals, Art Center develops and plans to implement solutions that involve using sustainable design principles, incorporating renewable energy sources and/or the conserving resources, and improving energy efficiency, air quality and water.

Financing Costs **276,107**

Cost of Issuance $276,107

TOTAL USES OF FUNDS ***$68,000,000***

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II. GUIDELINES DISCUSSION:

Art Center College of Design Series 2014A and 2014B bonds (the "Bonds") will be an unrated, direct bank placement with Wells Fargo Bank, N.A. ("Wells Fargo"). The following guidelines (and one exception to the guidelines, as noted) have been applied to this financing:

- Must be privately placed with and transferred only to a "Qualified Institutional Buyer" as defined by SEC Rule 144A, promulgated under the Securities Act of 1933, except that Wells Fargo will be authorized to transfer the Bonds to (i) a Qualified Affiliate of Wells Fargo, or (ii) a trust or custodial arrangement established by Wells Fargo or a Qualified Affiliate the beneficial owners of which are Qualified Institutional Buyers;
- Minimum denomination of $250,000;
- Unconditional Promise to Pay from Borrower;
- Investor Letter (or equivalent provisions in the bond purchase agreement) required at issuance;
- Bond transfer restrictions must be noted conspicuously on the bond itself; and
- Bonds must be physically delivered.

All of the foregoing requirements are designed to maximize the likelihood that the unrated bonds will be placed with more sophisticated investors given the higher risk typically perceived to be associated with unrated debt. The Bonds are not rated at this time because Wells Fargo, as purchaser, does not require the Bonds to be rated. Wells Fargo has indicated it is a Qualified Institutional Buyer under SEC Rule 144A and will make an independent credit determination to purchase the Bonds. Both of the foregoing will be reflected in its investor letter (or equivalent provisions in the bond purchase agreement).

* "Qualified Affiliate" means a Person that is an "accredited investor" as defined in Rule 501(a)(1) through (3) of Regulation D promulgated under the Securities Act of 1933, as amended, as in effect as of the date hereof, that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Purchaser. A Person shall be deemed to control another Person for the purposes of this definition if such first Qualified Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

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III. FINANCIAL ANALYSIS:

Art Center College of Design

Statement of Activities

Unrestricted ($000s)

	As of June 30		
	2013	2012	2011
Revenues:			
Tuition and fees, net	$ 70,275	$ 66,290	$ 60,622
Private gifts and grants	566	617	404
Investment and other income	759	627	716
Sales and services of auxiliary enterprises	658	564	507
Other sources	2,122	1,633	558
Amounts released from restrictions	1,143	2,713	5,013
Total revenues	75,523	72,444	67,820
Expenses:			
Education	$ 49,057	$ 46,837	$ 44,642
Student services	6,696	6,002	5,935
Administration	9,602	8,479	8,413
Advancement	3,128	2,249	2,606
Auxiliary services	543	573	565
Total expenses	69,026	64,140	62,161
Change in net assets from operations	6,497	8,304	5,659
Other changes in net assets:			
Net change in actuarial obligations	(82.00)	(239)	46
Net change in fair value of investments	1,013	54	1,481
Loss/Gain on interest rate swap	3,499	(6,000)	(1)
Other expenses	-	(773)	(1,129)
Increase in net assets from other changes	4,430	(6,958)	397
Change in net assets	10,927	1,346	6,056
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	42,820	41,474	35,418
UNRESTRICTED NET ASSETS, END OF YEAR	$ 53,747	$ 42,820	$ 41,474

Art Center College of Design

Statement of Financial Position ($000's)

	As of June 30		
	2013	2012	2011
ASSETS:			
Cash and cash equivalents	$ 15,759	$ 12,758	$ 11,797
Cash whose use is limited/restricted	11,386	13,534	35
Accounts and notes receivable, net	6,965	6,689	5,690
Contributions receivable, net	5,282	782	999
Investments	94,465	82,791	77,780
Other assets	3,615	3,293	2,951
Property, plant and equipment, net	50,029	49,290	43,946
Total assets	$ 187,501	$ 169,137	$ 143,198
LIABILITIES AND NET ASSETS:			
Accounts payable	$ 8,416.00	$ 1,047	$ 820
* Accrued liabilities		11,129	4,101
Unearned tuition income	10,554	10,061	10,353
Federal student loan funds	197	443	422
Annuity obligations	188	156	158
Bonds payable	47,210	48,735	29,585
Total liabilities	66,565	71,571	45,439
Net assets:			
Unrestricted	53,747	42,820	41,474
Temporarily restricted	21,987	9,935	11,615
Permanently restricted	45,202	44,811	44,670
TOTAL NET ASSETS	120,936	97,566	97,759
TOTAL LIABILITIES AND NET ASSETS	$ 187,501	$ 169,137	$ 143,198

* FY 2013 Accrued Liabilities and Accounts Payable added together

Financial Ratios

	Proforma FYE 6/30/13(a)	2013	2012	2011
Debt service coverage (x)	2.54	4.25	7.59	6.02
Debt to expendable net assets (x)	0.90	0.62	0.92	0.56
Expendable net assets to operatior	1.18	1.22	0.82	0.85
Margins		10%	11%	8%

(a) Recalculates 2013 results to include the impact of the proposed financing.

Financial Discussion:

Art Center appears to maintain consistent operating results supported by tuition and fees over the review period.

In the three-year review period, total revenue has increased 11%, from $67.8 million in FY 2011 to $75.5 million in FY 2013. This growth is primarily supported by tuition and fees, which represents approximately 93% of total revenues in FY 2013. Tuition and fees have increased approximately 16%, from $60.6 million in FY 2011 to nearly $70.3 million in FY 2013. Key factors contributing to this increase are modest tuition increases and enrollment growth. Art Center reports exceeding enrollment targets, which contributes to the need for expanding their campus.

Art Center's growth in total revenues can also be attributed to generated revenue from other sources, which are primarily interdepartmental sales, sponsored project fees, commission revenue, conferences, and events, increasing from approximately $558,000 in FY 2011 to $2.1 million in FY 2013. FY 2013 experienced a greater increase in other sources due to revenues earned from the launch of the Design Accelerator, a program in collaboration with the California Institute of Technology that aims to help startups by merging design, technology and business strategy.

Total operating expenses increased in each of the three fiscal years, from $62.2 million in FY 2011 to $64.1 million in FY 2012 to $69.0 million in FY 2013. Art Center reports the increases in expenses were below its projected budget (3.34% in FY 2012 and 1.89% in FY 2013) and can be attributed to inflationary pressure and expenses directly related to enrollment growth. Keeping expenditures in line has allowed Art Center to post operating results of $5.7 million, $8.3 million and $6.5 million respectively, in FY 2011, FY 2012, and FY 2013.

Art Center's financial strength appears sound with $120.9 million in total net assets as of June 30, 2013, and a proforma debt service coverage ratio of 2.54x.

Art Center's financial strength increased over the review period. Total net assets reflects an increase of 24% over the review period from $97.8 million in FY 2011 to $120.9 million in FY 2013, nearly the majority of which are unrestricted net assets($53.7 million). According to Art Center, increases in unrestricted net assets can be attributed to favorable investments, gain in interest rate swap, and controlled operating expenses.

Additionally, Art Center's cash and cash equivalents and contributions receivable increased over the review period. Cash and cash equivalents increased 34%, from $11.8 million in FY 2011 to $15.8 million in FY 2013. This increase is due to the aforementioned tuition increase, and exceeding enrollment target, and tight expense control. Art Center received a single $5 million contribution in FY 2013 from a trustee.

Art Center anticipates continuing to generate positive financial results due to its improvements to its facilities. Art Center seems to be well-positioned to continue meeting its additional long-term debt obligations. With this proposed financing, the proforma debt service coverage ratio remains solid at a 2.54x, indicating Art Center can comfortably support the additional debt.

IV. BACKGROUND:

General:

Founded in 1930, Art Center College of Design ("Art Center") is a non-profit, non-sectarian, privately endowed, co-educational institution known for preparing students for careers in the design professions. Admission is based primarily on talent and achievement in art and design as demonstrated by the quality of a specific portfolio of original work created by the applicant for the desired major. As a result, nearly all entering undergraduates have at least one year of college experience and approximately 25% have a bachelor's degree. Approximately half of students come from California, one-quarter from other states, and one-quarter from other countries.

The Art Center's main campus is located on a 175-acre hillside overlooking the Rose Bowl in Pasadena, California. The main campus building of approximately 217,000 square feet is an award-winning design. It houses classrooms, studio space, multiple computer labs, the James Lemont Fogg Memorial Library, as well as a curated student gallery and an external exhibit gallery, both open to the public. The Hillside Campus has been designated as a historic monument by the City of Pasadena. Art Center's South Campus consists of two buildings. The first building, approximately 100,000 square feet, was one of the first buildings in Pasadena to be LEED certified and houses the Graduate Art , Graduate Media Design and non-degree Programs. The second building, approximately 35,000 square feet, is also LEED certified and is the primary location for the undergraduate Fine Art and Illustration programs. Art Center does not own or operate student housing. Art Center offers exchange opportunities and joint programs with the nearby California Institute of Technology and Occidental College.

Administration:

Art Center is a non-profit organization governed by a board of trustees. The board is composed of no less than 11 and no more than 27 members, who come from a variety of disciplines. They serve on a rotating basis and are expected to perform functions of benefit to the college. The president of the college reports to the trustees. In addition to an executive committee, there are currently trustee committees in the areas of education, finance, audit, governance, facilities and development.

Accreditations and Affiliations:

Art Center is fully accredited by the Western Association of Schools and Colleges (WASC). In 2013, WASC reaffirmed accreditation of the Art Center following a comprehensive review. It also has professional accreditation from the National Association of Schools of Art and Design. In addition, it has affiliations with several other professional organizations.

Academic Programs:

Art Center offers the Bachelor of Fine Arts degree in Advertising Design, Film, Fine Arts, Graphic Design, Illustration, and Photography. It offers a Bachelor of Science degree in Environmental Design, Product Design, and Transportation Design. It offers a Master of Arts degree in Art Theory and Criticism and a Masters of Fine Arts degree in Film, Fine Arts, Media Design, and Industrial Design.

V. OUTSTANDING DEBT:

Existing Debt:	Original Issue Amount	Amount Outstanding as of 6/30/14	Estimated Amount Outstanding After Proposed Financing*
CEFA, Series 2002A	$ 11,545,000	$ 8,445,000	-
CEFA, Series 2002B	13,055,000	9,355,000	-
CEFA, Series 2009	9,940,000	9,210,000	-
CEFA, Series 2012	20,000,000	18,670,000	-
Proposed:			
Series 2014A and 2014B		**-**	**$ 68,000,000**
Total		$ 45,680,000	$ 68,000,000

*As of proposed issuance date of Series 2014 Bonds, principal balance remaining outstanding

VI. DUE DILIGENCE:

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

- Religious Due Diligence
- Legal Review
- Compliance with Section 94212(b) of the Education Code – California Environmental Quality Act
- Iran Contracting Act Certificate – Not required with this financing

VII. STAFF RECOMMENDATION:

Staff recommends the Authority approve Resolution No. 297 in an amount not to exceed $68,000,000 for Art Center College of Design as an unrated Direct Bank Placement. Macias, Gini & O'Connell, LLP, the Authority's financial analyst, and Public Financial Management, the Authority's financial advisor, concur with the Authority's staff recommendations.

EXHIBIT 1

Financing Team
Art Center College of Design

Borrower:	Art Center College of Design
Borrower's Counsel:	Burke, Williams & Sorensen, LLP
Bond Counsel:	Squire Patton Boggs (US) LLP
Agent for Sale:	California State Treasurer
Issuer's Counsel:	Office of the Attorney General
Issuer's Financial Advisor:	Public Financial Management, Inc.
Purchaser:	Wells Fargo Bank, N.A.
Purchaser Counsel:	Chapman and Cutler LLP
Trustee:	U.S. Bank, N.A.
Trustee Counsel:	Dorsey & Whitney LLP

RESOLUTION NO. 297

**RESOLUTION OF THE
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING THE ISSUANCE OF REFUNDING REVENUE BONDS AND
REVENUE BONDS TO FINANCE AND/OR REFINANCE EDUCATIONAL
FACILITIES FOR ART CENTER COLLEGE OF DESIGN**

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 to finance and refinance the acquisition, construction, improvement, installation, renovation, rehabilitation, furnishing and equipping of educational facilities by participating private colleges (as defined in the Act) located in the State of California and to refund existing bonds or notes of the Authority;

WHEREAS, Art Center College of Design (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 (i) Variable Rate Demand Revenue Bonds (Art Center College of Design) 2002 Series A in the original aggregate principal amount of $11,545,000, of which $8,445,000 is currently outstanding, and Variable Rate Demand Refunding Revenue Bonds (Art Center College of Design) 2002 Series B in the original aggregate principal amount of $13,055,000, of which $9,355,000 is currently outstanding, (ii) Variable Rate Demand Revenue Bonds (Art Center College of Design) Series 2009 in the original aggregate principal amount of $9,940,000, of which $9,210,000 is currently outstanding, and (iii) Revenue Bonds (Art Center College of Design) Series 2012 in the original aggregate principal amount of $20,000,000, of which $18,670,000 is currently outstanding (collectively, the "Prior Bonds"), and made loans (the "Prior Loans") to the Borrower of the proceeds thereof to finance or refinance the acquisition, construction, improvement and equipping of educational facilities as more particularly described in Exhibit A hereto (the "Prior Project");

WHEREAS, the Borrower has requested that the Authority issue its refunding revenue bonds and revenue bonds in one or more series (the "Bonds") in an amount not to exceed $68,000,000, and loan the proceeds to the Borrower for the purpose of the Project, as described in Exhibit A hereto, which description is hereby incorporated by reference, consisting of (a) the acquisition, construction, improvement, installation, renovation, rehabilitation, furnishing and equipping of certain educational facilities, in each case, with related and appurtenant facilities as more fully described in Exhibit A; (b) refunding all or a portion of the Prior Bonds; and (c) payment of costs of issuance and certain interest with respect to the Bonds; and

WHEREAS, to the extent required by subdivision (b) of Section 94212 of the Education Code, the Borrower has provided documentation to the Authority demonstrating 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 that division; and

WHEREAS, the Bonds shall be sold to Wells Fargo Bank, N.A. (the "Purchaser"), a Qualified Institutional Buyer, as defined in the indenture pursuant to which the Bonds will be issued; and

WHEREAS, approval of the terms of issuance and sale of such revenue bonds, 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 bonds of the Authority designated as "California Educational Facilities Authority Refunding Revenue Bonds (Art Center College of Design) Series 2014A" and "California Educational Facilities Authority Revenue Bonds (Art Center College of Design) Series 2014B", in the total aggregate principal amount not to exceed $68,000,000 are hereby authorized to be issued from time to time, in one or more series, with such other name or names with respect to a series as may be designated in the indenture pursuant to which the Bonds shall be issued. The proceeds of the Bonds shall be used for any or all of the purposes set forth in the fourth WHEREAS paragraph 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 six months of the date of the adoption of this Resolution, at private sale, in such aggregate amount (not to exceed the aggregate principal amount set forth in Section 1) and in such series, at such price and at such interest rate or rates as the Treasurer, with the advice and consent of the Borrower, may determine. The Bonds may be unrated and shall be subject to transfer restrictions as provided in the Indenture (defined below). The Bonds or any series of them may, at the option of the Borrower, be secured by bond insurance or a credit facility and supported by one or more liquidity facilities meeting the terms of the indenture pursuant to which such Bonds will be issued.

Section 3. The following documents:

(i) the Loan Agreement relating to the Bonds (the "Loan Agreement"), between the Authority and the Borrower;

(ii) the Indenture of Trust relating to the Bonds (the "Indenture"), between the Authority and U.S. Bank, National Association, as trustee (the "Trustee"); and

(iii) the Bond Purchase Contract, including appendices thereto, relating to the Bonds (the "Purchase Contract"), among the Authority, the Treasurer of the State of California, as agent for sale, and the Purchaser, and approved by the Borrower

are hereby approved in substantially the respective forms on file with the Authority prior to this meeting, in each case with such insertions and changes therein consistent with the stated terms of this Resolution (including, without limitation, changes therein with respect to covenants) as the officer executing the same, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. 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, methods of determining the interest rate from time to time, interest payment dates, denominations, forms, registration privileges or requirements, place or places of payment, tender provisions (if any), terms of redemption, terms of 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 a credit facility and/or a liquidity facility, if any, from time to time, shall be as provided in the Indenture, as finally executed.

Section 5. 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 Purchaser, 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 Purchaser, as determined and confirmed by the Treasurer, in accordance with the Indenture upon payment of the purchase price thereof.

Section 6. 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 which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds, the refunding, redemption and/or defeasance of the Prior Bonds, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement and the Purchase Contract. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) a tax agreement and any certificates related thereto; (b) an escrow agreement; (c) any credit or security documents or amendments thereto; and (d) any agreement or commitment letter with respect to the provisions of bond insurance, a letter of credit, a surety bond and/or a liquidity facility, if any, for the Bonds.

Section 7. The provisions of the Authority's Resolution No. 2013-01 apply to the documents and actions approved in this Resolution.

Section 8. 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 9. This Resolution shall take effect from and after the date of adoption.

Date of Adoption: ______________________

EXHIBIT A TO RESOLUTION NO. 297

Description of the Project

The Project includes (a) financing and/or refinancing the acquisition, construction, improvement and equipping of certain educational facilities (as defined in the Act), including related administrative facilities, site improvements, and parking, located in the City of Pasadena, California including but not limited to the acquisition, construction, improvement and/or equipping of certain educational facilities and improvements, consisting of classrooms, work spaces, offices, parking facilities, academic spaces, administrative offices and related infrastructure improvements located or to be located in a portion of 1111 South Arroyo Parkway, Pasadena, California (the New Project"); (b) refinancing all or a portion of (i) the College's outstanding California Educational Facilities Authority Variable Rate Demand Revenue Bonds (Art Center College of Design) 2002 Series A and the College's outstanding California Educational Facilities Authority Variable Rate Demand Refunding Revenue Bonds (Art Center College of Design) 2002 Series B, issued to finance or refinance educational facilities on the College's campus located at 1700 Lida Street, Pasadena (the "Hillside Campus"); (ii) the College's outstanding California Educational Facilities Authority Variable Rate Demand Revenue Bonds (Art Center College of Design) Series 2009, issued to finance or refinance educational facilities on the College's campus located at 870–950 South Raymond Avenue, Pasadena, California (the "South Campus"); and (iii) the College's outstanding California Educational Facilities Authority Revenue Bonds (Art Center College of Design) Series 2012, issued to finance or refinance educational facilities on the College's Hillside Campus and South Campus (the "Prior Project"); and (c) payment of costs of issuance and certain interest with respect to the Bonds.