

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PASADENA APPROVING THE ISSUANCE OF
EDUCATIONAL FACILITY REVENUE NOTES FOR THE
PURPOSE OF FINANCING THE ACQUISITION AND
RENOVATION OF FACILITIES BY PACIFIC OAKS
EDUCATION CORPORATION**

WHEREAS, Pacific Oaks Education Corporation, a California nonprofit public benefit corporation (the "Borrower"), whose sole member is TCS Education System ("TCSES"), an Illinois not for profit corporation, is currently leasing the real property at 45 Eureka Street (approximately 15,505 square feet) and 55 Eureka Street (approximately 28,787 square feet) in Pasadena, California from MFT Properties, LLC, NW Innovation Center, LLC and MMA Properties, LLC (the "Current Owners"), at which properties the Borrower operates the Pacific Oaks College;

WHEREAS, the Borrower has entered into a contract to purchase the entire parcel owned by the Current Owners consisting of the 45 Eureka Street and 55 Eureka Street properties and the buildings at 433 North Fair Oaks Avenue (approximately 25,827 square feet) and 100 West Villa Street (approximately 5,823 square feet), all for a purchase price of approximately \$21.5 million, and the Borrower intends to incur approximately \$2 million of costs renovating the 45 Eureka Street and 55 Eureka Street properties at which it operates the College, including, but not limited to, a redesign of the library, classroom improvements, accessibility improvements such as ADA enhancements, creation of common spaces for students and external community events and additional and more functional workspaces for faculty, staff and students;

WHEREAS, following the acquisition described above, all of the properties will be owned by the Borrower; one floor of the building located at 433 North Fair Oaks Avenue is and will continue to be leased to the State of California Unemployment Insurance Appeals Board and the other floor, which is currently vacant, may be leased to unrelated third parties or ultimately used by the Borrower in its educational operations, and the building located at 100 West Villa Street is and will initially continue to be leased to unrelated third parties, presently Vance Wealth Group, Inc. and Braun Fitness (the acquisition and renovations described above are referred to collectively herein as the "Project");

WHEREAS, the Borrower and TCSES have requested that the Illinois Finance Authority (the "Authority") finance a portion of the costs of the Project through the issuance by the Authority of its not to exceed \$22,000,000 aggregate principal amount Educational Facility Revenue Notes (Pacific Oaks Education Corporation/TCS Education System Project), Series 2017 (the "Notes") in one or more series, and the loan of such proceeds to the Borrower;

WHEREAS, the Notes would be considered "qualified 501(c)(3) bonds" under Section 145 of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 147(f) of the Code requires that an "applicable elected representative" with respect to the

jurisdiction in which the Project is located hold a public hearing on the execution and delivery of the Notes;

WHEREAS, the City Council of the City of Pasadena, as an "applicable elected representative" of the City, has held said public hearing at which all those interested in speaking with respect to the proposed financing of the Project were heard.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena as follows:

1. The City Council hereby finds and determines that the foregoing recitals are true and correct.
2. For purposes of the requirements of the Code only, the City Council hereby approves the proposed issuance of the Notes by the Authority to finance costs of the Project.
3. The adoption of this Resolution is solely for the purpose of meeting the requirements of the Code and shall not be construed in any other manner, neither the City nor its staff having fully reviewed or considered the financial feasibility of the Project or the expected financing or operation of the Project with regards to any State of California statutory requirements, and such adoption shall not obligate (i) the City to provide financing to the Borrower for the acquisition and renovation of the Project or to execute and deliver the Notes for purposes of such financing; or (ii) the City, of or any department of the City, to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.
4. The City Clerk shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the public hearing notice to bond counsel for the Notes:

Matthew Lewin
Greenberg Traurig LLP
77 West Wacker Dr.
Chicago, Illinois 60601

This resolution shall take effect upon its adoption.

Adopted at the meeting of the City Council on the 24th day of April, 2017, by the following vote:

AYES: _____

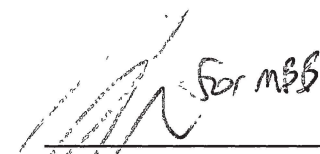
NAYS: _____

ABSENT: _____

ABSTAIN: _____

MARK JOMSKY, City Clerk

APPROVED AS TO FORM:

 For MBB

Michele Beal Bagneris
City Attorney