SUPPLEMENT TO

PRELIMINARY OFFICIAL STATEMENT
DATED AUGUST 20, 2026

RELATING TO

$26,210,000[1]
MARYLAND HEALTH AND HIGHER
EDUCATIONAL FACILITIES AUTHORITY
Revenue Bonds
St. John's College Issue
Series 2026

This Supplement (this "Supplement") sets forth information supplementing the Preliminary Official Statement dated August 20, 2026 (the "Preliminary Official Statement"), relating to the above-captioned bonds (the "Bonds"), which are being issued by Maryland Health and Higher Educational Facilities Authority (the "Issuer"). This Supplement should be read together with the Preliminary Official Statement which Preliminary Official Statement is attached hereto and made a part hereof. Except as set forth herein, this Supplement does not update, modify or replace the information contained in the Preliminary Official Statement, which contains information only as of its date. All capitalized terms used in this Supplement and not defined herein shall have the meanings set forth in the Preliminary Official Statement.

The information contained in the Preliminary Official Statement is hereby supplemented, revised, and amended as follows:

1. The following paragraphs shall be added as a new fourth (4th) paragraph under the heading "CERTAIN BONDHOLDERS' RISKS – Tax Exemptions – *Tax-Exempt Status of the Corporation*".

The U.S. Department of the Treasury and the Internal Revenue Service announced proposed regulations on September 3, 2026 to update nondiscrimination requirements for private schools, including colleges, to maintain their tax-exempt status. The proposed regulations generally provide that a private school will not qualify for tax exemption if it adopts, maintains, or enforces any policy or practice that discriminates on the basis of race, color, or national or ethnic origin in the administration of its programs. There can be no assurance that the regulations will be adopted as proposed. If finalized as proposed, the proposed regulations would apply to taxable years beginning after May 31, 2027.

The Corporation has not adopted and does not maintain or enforce any current policy or practice that discriminates on the basis of race, color, or national or ethnic origin in the administration of any educational policy, admissions policy, scholarship or loan program, athletic program, or other school administered or school-supported program for any purpose. If the regulations are finalized as proposed, while there can be no assurance as to the ultimate impact on the Corporation, the Corporation believes that its policies as currently in effect comply with the proposed nondiscrimination requirements and the Corporation does not anticipate any material risk to its tax-exempt status following the implementation of these proposed regulations. *See* Appendix A, *Student Admissions Process*.

2. The first four (4) paragraphs under the heading APPENDIX A – "Student Enrollment – Student Admissions Process" shall be deleted, and the following paragraphs shall be inserted in lieu thereof.

The purpose of the admission process is to determine whether an applicant has the necessary preparation and ability to complete the College's program satisfactorily. The Admissions

[1] Preliminary, subject to change.

Committee is composed of several tutors and the Directors of Admissions on the two campuses. Factors considered in the admissions decision include:

- Essays
- Academic records
- Letters of recommendation
- Interviews (when available)
- Test scores (when available)

All applicants selected for admission must have a history of academic success to indicate they are capable of succeeding in the College's rigorous program of study. The Admissions Committee carefully examines each applicant's academic record to assess curricular rigor and success in previous schools. Letters of recommendation are read for indications that the applicant has the necessary maturity, self-discipline, ability, energy, and initiative.

To encourage top applicants, regardless of background, there is no charge for any applicant to submit an application. The Admissions Committee seeks to enroll students who are the best fit for the College. The education provided by the College is rooted in the liberation of the human intellect. By reading great books and struggling together with the fundamental questions that they raise, students and their teachers learn from their differences and discover more deeply their shared humanity. The College believes that its community is made stronger from the intellectual breadth and depth of the voices in its classrooms. Accordingly, the Admissions Committee does not favor any applicant based on any policy incompatible with the benefit of federal income taxation. Specifically, the Admissions Committee does not discriminate on the basis of race, religion, sex or gender, age, color, sexual orientation, gender identity or expression, disability or handicap, or national or ethnic origin. The College is also committed to ensuring its financial aid decisions, along with the administration of its programs, are carried out on a non-discriminatory basis. The College has not adopted and does not maintain or enforce any current policy or practice that discriminates on the basis of race, color, or national or ethnic origin in the administration of any educational policy, admissions policy, scholarship or loan program, athletic program, or other school administered or school-supported program for any purpose.

Dated: September 14, 2026

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 20, 2026

NEW ISSUE -- BOOK-ENTRY ONLY

S&P: A- (Stable Outlook)
See "Rating" herein.

In the opinion of Bond Counsel to the Authority, assuming compliance with certain covenants described herein, under existing statutes, regulations and decisions, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes and is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on the Series 2026 Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Additionally, interest on the Series 2026 Bonds will be subject to the branch profits tax imposed on certain foreign corporations engaged in a trade or business in the United States of America. By the terms of the Act, interest on the Series 2026 Bonds, their transfer and the income therefrom, including profits made on their sale or transfer, are exempt from Maryland state and local taxes; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Series 2026 Bonds, their transfer or the income therefrom. See "TAX MATTERS."

ST JOHN'S College
ANNAPOLIS • SANTA FE

$26,215,000*
MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY
Revenue Bonds
St. John's College Issue
Series 2026

Dated: Date of initial delivery

Due: October 1, as shown below

The Maryland Health and Higher Educational Facilities Authority Revenue Bonds, St. John's College Issue, Series 2026 (the "Series 2026 Bonds") are issuable only as fully registered bonds in denominations of $5,000 and integral multiples thereof. The Series 2026 Bonds initially will be maintained under a book-entry only system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2026 Bonds will be in book-entry form only. Interest on the Series 2026 Bonds from the date of initial delivery is payable on April 1, 2027 and semiannually thereafter on each October 1 and April 1. So long as the Series 2026 Bonds are maintained under a book-entry only system, payments of the principal of and interest on the Series 2026 Bonds will be made when due by U.S. Bank Trust Company, National Association (the "Trustee") to DTC in accordance with an Indenture of Trust between Maryland Health and Higher Educational Facilities Authority (the "Authority") and the Trustee (the "Indenture"), and the Trustee will have no obligation to make any payments to any beneficial owner of any Series 2026 Bonds. See "THE SERIES 2026 BONDS -- Book-Entry Only System."

The Series 2026 Bonds constitute special obligations of the Authority payable solely from (i) payments by St. John's College (the "Corporation") to the Authority or the Trustee pursuant to the Loan Agreement, the Pledge and Security Agreement, the Deeds of Trust, and the Intercreditor Agreement (each as defined herein) and (ii) other amounts pledged under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS." By their purchase of the Series 2026 Bonds, the purchasers and beneficial owners of the Series 2026 Bonds will have agreed and consented to the release of the Deeds of Trust upon certain conditions having been met by the Corporation. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Deeds of Trust – *Release of Deeds of Trust*" herein.

None of the State of Maryland, any political subdivision thereof, or the Authority shall be obligated to pay the Series 2026 Bonds or the interest thereon except from the Revenues and other amounts pledged therefor under the Loan Agreement, and neither the faith and credit nor the taxing power of the State of Maryland, of any political subdivision thereof or of the Authority is pledged to the payment of the principal of or the interest on the Series 2026 Bonds. The issuance of the Series 2026 Bonds does not directly, indirectly or contingently obligate, morally or otherwise, the State of Maryland, any political subdivision thereof or the Authority to levy or pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Authority has no taxing power.

This cover page contains certain information for general reference only. Investors should review the entire Official Statement to obtain essential information necessary to making an informed investment decision. See "BONDHOLDER RISKS" herein.

The Series 2026 Bonds are subject to redemption prior to maturity as described herein under "The Series 2026 Bonds -- Redemption Provisions."

Series 2026 Bonds

$______________* SERIAL BONDS

DUE	AMOUNT*	INTEREST RATE	YIELD	CUSIP	DUE	AMOUNT*	INTEREST RATE	YIELD	CUSIP

$_______* **___%** **Term Bonds due _____** **Yield ___%** **CUSIP:**

$_______* **___%** **Term Bonds due _____** **Yield ___%** **CUSIP:**

The Series 2026 Bonds are offered, subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriter, subject to the approval of McKennon Shelton & Henn LLP, Bond Counsel to the Authority, the approval of certain legal matters by Gallagher LLP, counsel to the Corporation, and by McGuireWoods LLP, counsel to the Underwriter, and to certain other conditions. It is expected that the Series 2026 Bonds will be available for delivery on or about September 17, 2026.

STIFEL

* Preliminary, subject to change.

No dealer, broker, sales representative or other person has been authorized by Maryland Health and Higher Educational Facilities Authority (the "Authority"), St. John's College (the "Corporation") or the Underwriter to give any information or to make any representation other than as contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Corporation and other sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness by the Underwriter and is not to be construed as a representation either by the Underwriter or the Authority. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the Series 2026 Bonds.

The Authority has either provided or reviewed the information under the headings "The Authority," "State Not Liable on Series 2026 Bonds" and "Corporate Existence of the Authority" as it relates to the Authority and will not be responsible for any other statements or information in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

CUSIP numbers on the inside cover page of this Official Statement are subject to a copyright by the American Bankers Association ("ABA"). CUSIP numbers herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP numbers listed on the inside cover page of this Official Statement are being provided solely for convenience of the holders of the Bonds only at the time of issuance of the Bonds, and none of the Authority, the Underwriter or the Corporation takes any responsibility for the accuracy thereof now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the Bonds in certain circumstances. Such CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CUSIP Global Services.

This Official Statement contains certain "forward-looking statements" concerning the operations and financial condition of the Corporation. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the Corporation. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Corporation does not plan to issue any updates or revisions to these forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur or fail to occur.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2026 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Authority or the Corporation since the date hereof.

The Bonds are not and will not be registered under the Securities Act of 1933, or under any state securities laws, and the Indenture has not been and will not be qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom. Neither the Securities and Exchange Commission nor any federal, state, municipal, or other governmental agency will pass upon the accuracy, completeness, or adequacy of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of the Authority that has been deemed final by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY, OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

TABLE OF CONTENTS

MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

401 E. PRATT STREET
SUITE 1224
BALTIMORE, MARYLAND 21202
410-837-6220
FAX 410-685-1611

OFFICIAL STATEMENT

relating to

MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

$26,215,000*
Revenue Bonds
St. John's College Issue
Series 2026

INTRODUCTORY STATEMENT

This Official Statement, the cover page and appendices set forth certain information for use in connection with the sale by Maryland Health and Higher Educational Facilities Authority (the "Authority") of its $26,215,000* Revenue Bonds, St. John's College Issue, Series 2026 (the "Series 2026 Bonds"). The Series 2026 Bonds are issued pursuant to (i) the Maryland Health and Higher Educational Facilities Authority Act, consisting of Sections 10-301 through 10-356, inclusive, of the Economic Development Article of the Annotated Code of Maryland (the "Act"), (ii) certain proceedings of the Authority, and (iii) an Indenture of Trust dated as of September 1, 2026 (the "Indenture") between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Pursuant to the Indenture, U.S. Bank Trust Company, National Association has been appointed trustee, registrar and paying agent. For the definitions of certain words and terms used in this Official Statement, see Appendix C.

The Series 2026 Bonds are being issued at the request of St. John's College ("St. John's" or the "Corporation"), a Maryland nonstock corporation that is an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). St. John's is a private co-educational, four-year liberal arts college with no religious affiliation, founded in 1696 in Annapolis, Maryland as King William's School and chartered as St. John's College in 1784. The Corporation operates two campuses, one in Annapolis, Maryland (the "Annapolis Campus") and one in Santa Fe, New Mexico (the "Santa Fe Campus"). For detailed information concerning St. John's, see Appendix A. Appendix B sets forth audited financial statements of St. John's for the years ended June 30, 2025 and 2024.

* Preliminary, subject to change.

The Authority will lend the proceeds of the Series 2026 Bonds to the Corporation pursuant to the Loan Agreement between the Authority and the Corporation (the "Loan Agreement"). The Corporation will use the proceeds of the Series 2026 Bonds and other available funds to (a) finance and refinance the costs of capital improvements on the Annapolis Campus including (without limitation) (i) the design, construction, and equipping of a new academic building to add ADA accessible classrooms and studios, and (ii) the renovation of residential and academic halls to improve mechanical, electrical, and plumbing systems and improve ADA accessibility (collectively, the "Annapolis Campus Project"); (b) finance and refinance the costs of capital improvements on the Santa Fe Campus including (without limitation) (i) the renovation and equipping of the Pritzker Student Center; (ii) technology infrastructure upgrades, and (iii) general deferred maintenance including but not limited to roof repairs, and electrical and HVAC upgrades (the "Santa Fe Campus Project" and, together with the Annapolis Campus Project, the "2026 Project"); (c) refund the outstanding Public Finance Authority Revenue Bonds (St. John's College Project) Series 2016 (the "Refunded Bonds"); and (d) pay the underwriter's discount and other administrative, legal, financing and miscellaneous expenses related to the issuance of the Series 2026 Bonds. See "Estimated Sources and Uses of Funds," "Plan of Financing" and "The Project."

Upon the issuance of the Series 2026 Bonds and the refunding of the Refunded Bonds, there will remain outstanding, on the Corporation's behalf, the Maryland Health and Higher Educational Facilities Authority Revenue Bonds St. John's College Issue Series 2020 (the "Series 2020 Bonds"). The Series 2020 Bonds will be secured equally and ratably with the Series 2026 Bonds by (a) a Pledge and Security Agreement dated as of September 1, 2026 (the "Pledge and Security Agreement") among the Corporation, the Trustee and U.S. Bank Trust Company, National Association, as trustee for the Series 2020 Bonds (the "2020 Trustee"), (b) the Amended and Restated Deed of Trust Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of September 1, 2026 (the "Annapolis Deed of Trust") and the Amended and Restated Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of September 1, 2026 (the "Santa Fe Deed of Trust" and, together with the Annapolis Deed of Trust, the "Deeds of Trust"), each made by the Corporation as Grantor to the trustee named therein, respectively, and (c) an Intercreditor Agreement, dated as of September 1, 2026 (the "Intercreditor Agreement") by and among the Corporation, the Authority, the Trustee and the 2020 Trustee. The Pledge and Security Agreement, the Deeds of Trust and the Intercreditor Agreement shall collectively be referred to herein as the "Security Documents." See "Security and Sources of Payment for the Series 2026 Bonds."

By their purchase of the Series 2026 Bonds, the purchasers and beneficial owners of the Series 2026 Bonds will have agreed and consented to the release of the Deeds of Trust upon certain conditions having been met by the Corporation. See "Security and Sources of Payment for the Series 2026 Bonds – Deeds of Trust – *Release of Deeds of Trust*" herein. In making an investment decision, prospective holders of the Series 2026 Bonds should not rely on the Deeds of Trust as there is no assurance that the Deeds of Trust will secure the Series 2026 Bonds for the full term of the Series 2026 Bonds.

Certain risk factors that should be considered by prospective investors in the Series 2026 Bonds are set forth herein under "Certain Bondholders' Risks."

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are as follows:

SOURCES OF FUNDS:	TOTAL
Series 2026 Bonds	$
[Net] original issue [premium][discount]	
Amount on deposit in funds pledged to Refunded Bonds	
Total sources of funds	$
USES OF FUNDS:	
Amount required to refund Refunded Bonds	$
Estimated costs of 2026 Project(1)	
Issuance Costs(2)	
Total uses of funds	$

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(1) Estimate of the Corporation. See "Plan of Financing" and "The Project."

(2) Includes the Underwriter's discount, certain fees and expenses of legal counsel to the Corporation and the Underwriter and Bond Counsel to the Authority, certain fees and expenses of the financial advisors to the Authority and the Corporation and certain accounting fees, as well as rating agency fees, printing costs, fees and expenses of the Trustee and other miscellaneous expenses.

PLAN OF FINANCING

The proceeds of the Series 2026 Bonds will be used to (i) refund the Refunded Bonds; (ii) finance and refinance a portion of the costs of the 2026 Project, and (iii) pay the Underwriter's discount and other administrative, legal, financing and miscellaneous expenses related to the issuance of the Series 2026 Bonds. See "Estimated Sources and Uses of Funds" above.

Pursuant to a Loan Agreement dated as of September 1, 2026 (the "Loan Agreement") between the Authority and the Corporation, the Authority will lend the proceeds of the Series 2026 Bonds to the Corporation by depositing such proceeds as provided in the Indenture. As security for the Corporation's obligations under the (i) Loan Agreement and the Indenture, and (ii) the Loan Agreement dated as of July 1, 2020 between the Authority and the Corporation (the "2020 Loan Agreement") and the Indenture of Trust dated as of July 1, 2020 between the Authority and the 2020 Trustee (the "2020 Indenture"), pursuant to which the Series 2020 Bonds were issued, the Corporation is pledging the Collateral (as hereinafter defined) to the Trustee and to the 2020 Trustee pursuant to the Pledge and Security Agreement, and granting a lien on and security interest in and to the Annapolis Campus (exclusive of the President's House) and the Santa Fe Campus (collectively, the "Mortgaged Property") to the Trustee and the 2020 Trustee pursuant to the Deeds of Trust.

By their purchase of the Series 2026 Bonds, the purchasers and beneficial owners of the Series 2026 Bonds will have agreed and consented to the release of the Deeds of Trust upon certain conditions having been met by the Corporation. See "Security and Sources of Payment for the Series 2026 Bonds – Deeds of Trust – *Release of Deeds of Trust*" herein. In making an investment decision, prospective holders of the Series 2026 Bonds should not rely on the Deeds of Trust as there is no assurance that the Deeds of Trust will secure the Series 2026 Bonds for the full term of the Series 2026 Bonds.

"Collateral" as described in the Pledge and Security Agreement consists of (a) all revenues of the Corporation, including but not limited to: (i) investment income (excluding income from any defeasance escrows); (ii) net proceeds of business interruption insurance, if any; (iii) income from tuition, fees, charges (whether such tuition, fees and charges are paid by or on behalf of students or by any other party); and (iv) gifts, donations, pledges, grants, legacies, bequests, devises and contributions heretofore or hereafter made, and the income derived therefrom (collectively, the "Donated Property"), but only to the extent that the Donated Property is not specifically restricted by the donor or grantor to a particular purpose inconsistent with its use for payment of the Series 2026 Bonds or the Series 2020 Bonds; but excluding (A) any payments made to the Corporation pursuant to certain hedge agreements, and (B) any revenues received by the Corporation under any federally guaranteed student loan programs; and (b) any of the foregoing, whether now owned or now due, or in which the Corporation has an interest, or hereafter acquired, arising, or to become due, or in which the Corporation obtains an interest, and all products, proceeds, substitutions, and accessions of or to any of the foregoing; and all proceeds of any of the foregoing.

To provide for the collection and distribution of the Collateral subject to the Pledge and Security Agreement and the Mortgaged Property subject to the Deeds of Trust (to the extent that the Deeds of Trust remain outstanding) (collectively the "Joint Collateral"), the Corporation, the Trustee, the 2020 Trustee and the Authority are executing the Intercreditor Agreement. See "Security and Sources of Payment for the Series 2026 Bonds -- Intercreditor Agreement."

The Refunded Bonds are expected to be redeemed on the date of delivery of the Series 2026 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS

General

The Series 2026 Bonds are special obligations of the Authority, the principal or Redemption Price of and interest on which are payable solely from the Revenues and, to the extent provided in the Indenture, other amounts pledged under the Indenture.

None of the State of Maryland, any political subdivision thereof, or the Authority shall be obligated to pay the Series 2026 Bonds or the interest thereon except from Revenues, and neither the faith and credit nor the taxing power of the State of Maryland, of any political subdivision thereof or of the Authority is pledged to the payment of the principal of or the interest on the Series 2026 Bonds. The issuance of the Series 2026 Bonds does not directly or indirectly or contingently obligate, morally or otherwise, the State of Maryland, any political subdivision thereof or the Authority to levy or to pledge any form of taxation whatever therefor or to make *any appropriation for their payment. The Authority has no taxing power.* See "State Not Liable on Series 2026 Bonds."

Pledge of Revenues

Pursuant to the Indenture, the Authority pledges and assigns to the Trustee its interest in the Revenues and the Loan Agreement and the Security Documents, subject to the rights of the Authority described under "Summary of Certain Provisions of the Indenture -- Enforcement of Loan Agreement" in Appendix C. Revenues include all payments to the Authority or the Trustee pursuant to the Loan Agreement and the Security Documents other than payments to the Authority of its initial fee, the Annual Administrative Fees, the Administrative Expenditures and any indemnity payments to the Authority.

The pledge made pursuant to the Indenture and the covenants and agreements contained in the Indenture to be performed by or on behalf of the Authority are, by their terms, for the equal and ratable benefit, protection and security of the holders of all outstanding Series 2026 Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any Series 2026 Bond over any other Series 2026 Bond, except as expressly provided in or permitted by the Indenture. See "Additional Debt."

Loan Agreement

General

The Loan Agreement is a general obligation of the Corporation and will remain in full force and effect until all of the Series 2026 Bonds and the interest thereon have been paid or provision for the payment thereof has been made in accordance with the Indenture. The Loan Agreement requires the Corporation to make payments in such amounts and at such times as shall be sufficient to provide for the payment of the principal of and the premium, if any, and interest on the Series 2026 Bonds in accordance with the Indenture. See "Summary of Certain Provisions of the Loan Agreement -- Amounts Payable; General Obligation" in Appendix C. Pursuant to the Indenture, the payments required by the Loan Agreement with respect to any Series 2026 Bonds are assigned by the Authority to the Trustee.

Additional Indebtedness of the Corporation

Under the Loan Agreement, the Corporation has reserved the right to issue additional indebtedness under certain circumstances. See "Additional Debt."

Financial and Other Covenants

While the Corporation has not made any financial covenants in the Loan Agreement, it has made certain other covenants. See "Additional Debt" herein and "Summary of Certain Provisions of the Loan Agreement" in Appendix C.

Pledge and Security Agreement

As security for the Series 2026 Bonds and the Series 2020 Bonds, the Corporation is pledging the Collateral to the Trustee and the 2020 Trustee pursuant to the Pledge and Security Agreement. Pursuant to the Pledge and Security Agreement, the Corporation has agreed not to sell, grant, assign or transfer any interest in, or permit to exist any encumbrance on, any of the Collateral except for Permitted Liens as defined thereunder.

Under the Pledge and Security Agreement, the Trustee and the 2020 Trustee (collectively, the "Secured Parties") will establish a special trust account designated as the "St. John's Collateral Account" (the "Collateral Account"). The Collateral Account will be held separate and apart from all other funds and accounts of the Secured Parties. Collateral will not be deposited into or credited to the Collateral Account until such time as there is an Event of Default under the Pledge and Security Agreement. Furthermore, financial institutions holding money or securities constituting Collateral (collectively, "Depositories") are not required to enter into account control agreements prior to an Event of Default under the Pledge and Security Agreement.

Upon an Event of Default under the Pledge and Security Agreement, the Corporation will (a) have all Depositories execute an account control agreement with the Secured Parties and (b) immediately send all Collateral to the Secured Parties for deposit into or credit to the Collateral Account. Each account control agreement will require that the Depository send all Collateral it receives to the Secured Parties until such time as the Depository is notified in writing by any of the Secured Parties that a default or an Event of Default no longer exists under the Pledge and Security Agreement. The Collateral on deposit in or credited to the Collateral Account will be disbursed pursuant to the Intercreditor Agreement. See "Summary of Certain Provisions of the Pledge and Security Agreement" and "Summary of Certain Provisions of the Intercreditor Agreement" in Appendix C.

Deeds of Trust

Lien and Security Interest on Mortgaged Property

Under the Deeds of Trust, as security for the payments required to be made under the Loan Agreement and the 2020 Loan Agreement, the Corporation grants to the trustees named therein, for the benefit of the Authority, a lien on and security interest in the Mortgaged Property (as defined in "Plan of Financing" herein). The Mortgaged Property includes the (i) Annapolis Campus (except for the President's House) and (ii) Santa Fe Campus. See "Summary of Certain Provisions of the Deeds of Trust" in Appendix C. The Corporation may cause the release of the Deeds of Trust upon the satisfaction of certain conditions. See "Summary of Certain Provisions of the Deeds of Trust" in Appendix C and "Release of Deeds of Trust" below.

Permitted Liens

The Corporation may create additional liens on the Joint Collateral in connection with issuance of additional indebtedness and under other circumstances. See "Additional Debt" herein, "Summary of Certain Provisions of the Loan Agreement--Limitations on Incurrence of

Additional Indebtedness" and "Summary of Certain Provision of the Intercreditor Agreement--Lien Priorities and Parity Security Interests" in Appendix C.

Release of Deeds of Trust

Under the terms of the Deeds of Trust, the Corporation may cause the release of the Deeds of Trust from and after the date the Series 2020 Bonds are no longer Outstanding under the 2020 Indenture (whether by redemption, defeasance, or otherwise), provided that at such time, the Corporation then maintains an "A-" category rating or better with each Rating Agency then rating the Series 2026 Bonds. Under the Loan Agreement, the Authority has consented to such releases of the Deeds of Trust upon satisfaction of such requirements. *Because there can be no assurance that the Deeds of Trust will remain in effect, prospective holders of the Series 2026 Bonds should not rely on the Deeds of Trust as security for the Series 2026 Bonds.*

Intercreditor Agreement

To provide for the collection and distribution of the Joint Collateral, the Corporation, the Trustee, the 2020 Trustee and the Authority are executing the Intercreditor Agreement. During the period that the Series 2026 Bonds and any Series 2020 Bonds remain outstanding, any moneys received from the exercise of remedies with respect to the Joint Collateral shall be applied to the Series 2026 Bonds and the Series 2020 Bonds on a *pari passu* basis in proportion to the principal amount of the Series 2026 Bonds and the Series 2020 Bonds outstanding at the time of such application. If any moneys received from the exercise of remedies with respect to the Joint Collateral are insufficient to satisfy the Series 2026 Bonds and the Series 2020 Bonds, such moneys will be divided on a *pari passu* basis and applied (a) with respect to the Series 2026 Bonds, in accordance with the Indenture and (b) with respect to the Series 2020 Bonds, in accordance with the 2020 Indenture.

See "Summary of Certain Provisions of the Intercreditor Agreement" in Appendix C.

No Debt Service Reserve Fund

The Series 2026 Bonds will *not* be secured by a debt service reserve fund.

THE SERIES 2026 BONDS

General

The Series 2026 Bonds are dated the date of their initial delivery, bear interest from such date at the rates set forth on the cover page of this Official Statement, payable on April 1, 2027, and semiannually thereafter on each October 1 and April 1, subject to the redemption provisions set forth below, and will mature on the dates and in the amounts set forth on the cover page of this Official Statement.

The Series 2026 Bonds will be issued only as fully registered bonds in denominations of $5,000 and integral multiples thereof. The Series 2026 Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the

Series 2026 Bonds and payments of the principal and Redemption Price of and interest on the Series 2026 Bonds will be made as described in Appendix E. If the book-entry system is discontinued, interest on the Series 2026 Bonds will be payable by check mailed by the Trustee to the persons in whose names the Series 2026 Bonds are registered as of the Record Date for the payment of such interest at the address shown on the registration books maintained by the Trustee, which is the registrar and paying agent for the Series 2026 Bonds, and the principal or Redemption Price of the Series 2026 Bonds will be payable only upon presentation and surrender of such Series 2026 Bonds at the designated corporate trust office of the Trustee.

Redemption Provisions

Optional Redemption – Series 2026 Bonds

Series 2026 Bonds maturing on or after October 1, 20__ are subject to redemption prior to maturity, beginning on October 1, 20__, at the option of the Authority upon the direction of the Corporation, as a whole or in part at any time, at the principal amount of the Series 2026 Bonds to be redeemed, plus accrued interest thereon to the date set for redemption.

Purchase in Lieu of Redemption

In lieu of redeeming any Series 2026 Bonds called for redemption, at the option of the Authority, the Corporation will have the right to purchase such Series 2026 Bonds or cause such Series 2026 Bonds to be purchased on the date named for redemption at a price equal to the Redemption Price of the Series 2026 Bonds to be purchased that would be payable if such Series 2026 Bonds were to be redeemed, and by their acceptance of the Series 2026 Bonds, the holders thereof will be deemed to have agreed to sell the Series 2026 Bonds to or upon the order of the Corporation on such date. If there shall have been deposited with the Trustee the purchase price of such Series 2026 Bonds on such date, then such Series 2026 Bonds shall be deemed to have been purchased and not redeemed on such date whether or not the holders thereof surrender such Series 2026 Bonds for purchase and such holders shall not be entitled to interest accruing on such Series 2026 Bonds subsequent to such date and shall have no claims with respect thereto except to receive the purchase price of such Series 2026 Bonds so held by the Trustee.

Mandatory Sinking Fund Redemption

The Series 2026 Bonds maturing on October 1, 20__ will be subject to redemption prior to maturity, at a Redemption Price equal to the principal amount thereof plus accrued interest to the redemption date, from mandatory Sinking Fund Installments becoming due on October 1 of the following years in the following amounts:

$________ Term Bonds due October 1, 20__

Year	Sinking Fund Installment

The average life of the Series 2026 Bonds due October 1, 20__ is approximately ______ years.

The Series 2026 Bonds maturing on October 1, 20__ will be subject to redemption prior to maturity, at a Redemption Price equal to the principal amount thereof plus accrued interest to the redemption date, from mandatory Sinking Fund Installments becoming due on October 1 of the following years in the following amounts:

$________ Term Bonds due October 1, 20__

Year	Sinking Fund Installment

The average life of the Series 2026 Bonds due October 1, 20__ is approximately ______ years.

The amounts accumulated for any Sinking Fund Installment shall be applied by the Trustee, at the direction of the Authority, to the purchase of Series 2026 Bonds subject to redemption from such Sinking Fund Installment at a price (including any brokerage and other charges) not exceeding the principal amount thereof, plus accrued interest to the date of purchase. Upon any purchase of Series 2026 Bonds by application of money set aside to pay Sinking Fund Installments on deposit in the Redemption Fund, any redemption of Term Bonds or any delivery of any Term Bonds to the Trustee for cancellation, an amount equal to the principal amount thereof shall be credited toward the applicable Sinking Fund Installment, and any principal amount of Series 2026 Bonds purchased or redeemed in excess of such Sinking Fund Installment may be applied toward the reduction of any applicable future Sinking Fund Installments as the Corporation may designate.

Extraordinary Redemption

The outstanding Series 2026 Bonds are subject to redemption prior to maturity, as a whole or in part at any time at a Redemption Price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, upon the occurrence of any of the following events and subject to the following conditions:

(a) if title to, or the permanent use of substantially all of the Annapolis Campus, the Santa Fe Campus or any portion of the facilities financed or refinanced with proceeds of the Series 2026 Bonds (the "Financed Facilities") is condemned or the subject of an agreement with, or action by, a public authority in the nature of or in lieu of condemnation proceedings; or

(b) if the Corporation's title to substantially all of the Annapolis Campus, the Santa Fe Campus or any portion of the Financed Facilities is found to be deficient to the extent that the efficient utilization thereof by the Corporation is substantially impaired; or

(c) if substantially all of the facilities located on the Annapolis Campus, the Santa Fe Campus or any portion of the Financed Facilities is damaged or destroyed by fire or other casualty.

Under the Indenture, "substantially all" means either substantially total damage to or destruction of, or loss or impairment of title to or use of, the Annapolis Campus, the Santa Fe Campus or the facilities located on the Annapolis Campus or the Santa Fe Campus or damage to or destruction of, or loss or impairment of title to or use of, such a portion of the Annapolis Campus or the Santa Fe Campus or the facilities located on the Annapolis Campus or the Santa Fe Campus that, in the opinion of the Corporation, the Corporation is prevented from carrying on its operations thereon for a period of at least six months.

The Series 2026 Bonds are also subject to redemption in the event that (1) the Corporation determines in good faith that continued operation of any portion of the Financed Facilities is not financially feasible or is otherwise disadvantageous to the Corporation, (2) as a result thereof, the Corporation sells, leases or otherwise disposes of such Financed Facilities to a person or entity unrelated to the Corporation and (3) there is delivered to the Authority a Statement of Bond Counsel to the effect that, unless such Series 2026 Bonds are redeemed, retired or defeased either prior to or concurrently with such sale, lease or other disposition, or on a subsequent date prior to the first date on which the Series 2026 Bonds are subject to redemption at the option of the Authority at the direction of the Corporation, Bond Counsel will be unable to render an unqualified opinion that such sale, lease or other disposition will not adversely affect the excludability from gross income, for federal income tax purposes, of the interest on the Series 2026 Bonds.

Redemption of Series 2026 Bonds Subject to Deposit of Funds and Other Conditions

Any redemption of Series 2026 Bonds shall be subject to the deposit of funds for such redemption by or on behalf of the Corporation and may be subject to such other conditions as the Authority shall determine.

Selection of Bonds to Be Redeemed

If fewer than all of the Series 2026 Bonds shall be called for redemption (other than any redemption from the Sinking Fund Installments), the particular series and maturities of the Series 2026 Bonds to be redeemed shall be selected by the Authority upon the direction of the

Corporation. If fewer than all of the Series 2026 Bonds of any one series and maturity shall be called for redemption, the Trustee shall select the particular Series 2026 Bonds or portions of Series 2026 Bonds to be redeemed from such series and maturity as shall be directed by the Authority upon the Request of the Corporation or, in the absence of such direction, by lot or in such other manner as the Trustee in its discretion may deem proper.

Notice of Redemption

So long as the Series 2026 Bonds are maintained under a book-entry only system, notice of the call for any redemption of the Series 2026 Bonds shall be given as described below under "Book-Entry Only System." At any other time, the Trustee shall mail notice of the call for any redemption at least 20 days before the redemption date to the registered owners of the Series 2026 Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Trustee, but failure so to mail any such notice to any of such registered owners shall not affect the validity of the proceedings for the redemption of any Series 2026 Bonds. The Series 2026 Bonds so called for redemption will cease to bear interest on the specified redemption date and shall no longer be secured by the Indenture, provided that funds for such redemption shall be on deposit at that time with the Trustee.

Book-Entry Only System

All of the Series 2026 Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC" and, together with any successor securities depository for the Series 2026 Bonds, the "Securities Depository"), will act as securities depository. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee. Purchases of beneficial interests in the Series 2026 Bonds will be in book-entry form only and purchasers of beneficial ownership interests will not receive certificates representing their interests in the Series 2026 Bonds purchased. So long as the Series 2026 Bonds are in book-entry only form, the principal of and interest on the Series 2026 Bonds will be payable, and redemption and other notices with respect to the Series 2026 Bonds will be given, only to DTC, as the registered owner of the Series 2026 Bonds, and not to the beneficial owners of such Bonds, and neither the Authority nor the Trustee will have any responsibility or obligation with respect to payments or notices to beneficial owners.

Beneficial owners may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as ascertaining whether the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to beneficial owners or providing their names and addresses to the Trustee and requesting that copies of the notices be provided directly to them. For a further description of the book-entry only system, see Appendix E.

Registration and Exchange of Series 2026 Bonds

So long as the Series 2026 Bonds are maintained under a book-entry only system, transfers of ownership interests in the Series 2026 Bonds will be made as described above under

"Book-Entry Only System." If the book-entry only system is discontinued, any Series 2026 Bond may be exchanged for an equal aggregate principal amount of Series 2026 Bonds of the same series and maturity and bearing interest at the same rate of other authorized denominations, and the transfer of any Series 2026 Bond may be registered, upon presentation and surrender of such Series 2026 Bond at the designated office of the Trustee, together with an assignment duly executed by the registered owner or his attorney or legal representative. The Authority and the Trustee may require the person requesting any such exchange or transfer to reimburse them for any tax or other governmental charge payable in connection therewith. Neither the Authority nor the Trustee shall be required to register the transfer of any Series 2026 Bond or make any such exchange of any Series 2026 Bond during the 15 days preceding the date of mailing of any notice of redemption or after such Series 2026 Bond or any portion thereof has been selected for redemption.

Acceleration

Upon the occurrence of certain events, the due date for the payment of the principal amount of the Series 2026 Bonds may be accelerated. See "Summary of Certain Provisions of the Indenture -- Events of Default and Remedies" in Appendix C.

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ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each 12-month period ending June 30: (i) the principal due on the Series 2026 Bonds (whether at maturity or by mandatory sinking fund redemption); (ii) the interest due on the Series 2026 Bonds; (iii) the total debt service requirements of the Series 2026 Bonds; (iv) the total debt service requirements of the Series 2020 Bonds; and (v) the total debt service requirements of outstanding Bonds, after giving effect to the issuance of the Series 2026 Bonds and the refunding of the Refunded Bonds.

	Series 2026 Bonds				
Year	**Principal**	**Interest**	**Total**	**Total Debt Service On Series 2020 Bonds**	**Total Debt Service**
2027				$632,300	
2028				635,700	
2029				633,400	
2030				630,500	
2031				631,900	
2032				634,975	
2033				629,975	
2034				629,600	
2035				633,700	
2036				629,500	
2037				641,600	
2038				270,100	
2039				270,500	
2040				270,500	
2041				265,200	
2042				-	
2043				-	
2044				-	
2045				-	
2046				-	
2047				-	
2048				-	

(1) Approximately __ months.
(2) Sinking Fund Installment for Series 2026 Bonds maturing October 1, 20__.
(3) Sinking Fund Installment for Series 2026 Bonds maturing October 1, 20__.

ADDITIONAL DEBT

Outstanding Bonds

Upon the issuance of the Series 2026 Bonds and the refunding of the Refunded Bonds, the Series 2020 Bonds will remain outstanding under the 2020 Indenture in the aggregate principal amount of $6,400,0000.

Other Outstanding Indebtedness

The Corporation received a loan from the Corporation's endowment currently outstanding in the approximate principal amount of $3,100,000 for the Annapolis Campus payable semi-annually at an interest rate of 7.5%. Such loan matures in December 2036. The Corporation received a loan from the Corporation's endowment currently outstanding in the principal amount of $10,000,000 for the Santa Fe Campus, payable at an interest rate of 7.5%. Such loan matures in July 2057. The Corporation also has two open lines of credit with financial institutions in the aggregate principal amount of $7,000,000. There are currently no outstanding balances under the lines of credit. See "Financial Matters - Outstanding Indebtedness" in Appendix A.

Corporation Permitted to Incur Additional Indebtedness

The Corporation has the right to incur indebtedness secured on parity with respect to the Joint Collateral ("Additional Parity Indebtedness") subject to its meeting the requirements of the 2020 Loan Agreement and the Loan Agreement (collectively, the "Loan Agreements"). Under the terms of the Loan Agreements, the Corporation shall not incur any Indebtedness unless there is no Event of Default under either of the Loan Agreements and such indebtedness shall consist of one or more of the following:

(1) Any Additional Parity Indebtedness that constitutes long-term indebtedness of the Corporation ("Long Term Indebtedness"), provided that prior to such incurrence of Long-Term Indebtedness the Corporation provides:

> (i) executed amendments to the Security Documents reflecting that such Additional Parity Indebtedness shall be secured by the Joint Collateral on parity with the existing obligations secured thereby; and
>
> (ii) evidence that after the incurrence of such Long-Term Indebtedness the Corporation will have a rating of not less than (A) "Baa3" from Moody's or "BBB–" from S&P or (B) the rating then in effect for the Corporation's Long-Term Indebtedness; *or*
>
> (iii) an officer's certificate demonstrating that, for each of the two most recent Fiscal Years for which audited financial statements are available, the sum of Net Revenues Available for Debt Service plus, in the case of Long-Term Indebtedness incurred to finance the acquisition or construction of additional student residence facilities or any other facilities that will generate revenues or fees other than tuition, any additional revenues associated with such new facilities which are projected to be received following

completion of such acquisition or construction, equaled or exceeded 120% of the Maximum Annual Debt Service requirement for all Long-Term Indebtedness outstanding during such Fiscal Years and for the Long-Term Indebtedness proposed to be incurred; *or*

(iv) an officer's certificate demonstrating that, for the most recent Fiscal Year for which audited financial statements are available, the Net Revenues Available for Debt Service equaled or exceeded 115% of the Maximum Annual Debt Service requirement for all Long-Term Indebtedness outstanding during such Fiscal Year and for the Long-Term Indebtedness proposed to be incurred; or

(v) an officer's certificate demonstrating that, for the most recent Fiscal Year for which audited financial statements are available, the Net Revenues Available for Debt Service equaled or exceeded 115% of the Maximum Annual Debt Service requirement for all Long-Term Indebtedness outstanding during such Fiscal Year (not including the Long-Term Indebtedness proposed to be incurred) and an independent consultant's report certifying that the projected Net Revenues Available for Debt Service for each of the next two full Fiscal Years following the incurrence of such Long-Term Indebtedness or, in the case of the incurrence of such Long-Term Indebtedness for capital improvements, following the completion of the facilities being financed, is not less than 100% of the Maximum Annual Debt Service requirement for all Long-Term Indebtedness outstanding during such period (including the Long-Term Indebtedness proposed to be incurred).

(2) Indebtedness, whether or not constituting Additional Parity Indebtedness, for the purpose of refunding any outstanding indebtedness if the Corporation provides to the Trustee and the Authority an officer's certificate demonstrating that the Maximum Annual Debt Service immediately following the incurrence of such refunding indebtedness is not more than 110% of the Maximum Annual Debt Service immediately prior to the incurrence of such refunding indebtedness.

(3) Additional Parity Indebtedness that constitutes short-term indebtedness of the Corporation ("Short-Term Indebtedness") if the Corporation delivers (i) an officer's certificate demonstrating that such Short-Term Indebtedness does not exceed 15% of Unrestricted Total Revenues for the preceding Fiscal Year, less any Short-Term Indebtedness then outstanding and (ii) no Short-Term Indebtedness shall be outstanding for a period of at least 15 consecutive calendar days each Fiscal Year.

(4) Short-Term Indebtedness secured by a lien on the Corporation's accounts receivable, which lien may be superior to the liens securing the Series 2020 Bonds, the Series 2026 Bonds and any Additional Parity Indebtedness if (i) the Corporation delivers an officer's certificate demonstrating that such Short-Term Indebtedness does not exceed 10% of Unrestricted Total Revenues for the preceding Fiscal Year, less any Short-Term Indebtedness then outstanding and (ii) no Short-Term Indebtedness shall be outstanding for a period of at least 15 consecutive calendar days each Fiscal Year. See "Certain Bondholders' Risks—Additional Indebtedness."

(5) Commitment Indebtedness, Non-Recourse Indebtedness, or Subordinate Indebtedness.

(6) Capital leases for equipment.

The Corporation may also enter into interest rate swaps, caps, collars, options, floors, forward or other hedging agreements, arrangements or security, however denominated, with respect to outstanding indebtedness as long as any such agreements or arrangements qualify as a Financial Products Agreement under and as defined in the Loan Agreements.

For the definitions of certain words and terms used in this “Additional Indebtedness” section, see “Summary of Certain Provisions of the Loan Agreement--Limitations on Incurrence of Additional Indebtedness” in Appendix C.

THE AUTHORITY

The Authority is a body politic and corporate of the State of Maryland, constituting an instrumentality organized and existing under and by virtue of the Act. The purpose of the Authority, as stated in the Act, is to assist certain educational institutions, including institutions of higher education and noncollegiate educational institutions, and health care institutions, including hospitals and life care and continuing-care retirement communities, in the construction, financing and refinancing of certain projects approved by the Authority.

Membership and Organization

The Act provides that the Authority shall consist of nine members, one of whom shall be the Treasurer of the State of Maryland, *ex officio*, and eight of whom shall be residents of the State appointed by the Governor. All members serve without compensation but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties in relation to the Authority. The Governor annually designates one of the members of the Authority to serve as Chairman and one to serve as Vice-Chairman. Subject to the approval of the Governor, the Authority appoints an Executive Director as chief administrative officer to assume responsibility for day-to-day general management of the Authority’s affairs. Barlow T. Savidge has served as Executive Director of the Authority since July 1, 2019.

The members of the Authority and some of their past and present affiliations are:

Arnold Williams, *Chairman*; term as member expires July 1, 2029 resident of Baltimore County; Managing Director – Abrams Foster, Nole & Williams, P.A.; Immediate Past Chairman of the Board – Baltimore Development Corporation; Chairman – Neighborhood Impact Investment Fund; Vice Chair – Baltimore City Board of Finance; Qlarant, Inc.; and The Greater Baltimore Committee; Member – Maryland Association of Certified Public Accountants; American Institute of Certified Public Accountants; and National Association of Black Accountants; former Board Chairman – Bon Secours Health Systems, Inc. and Liberty Medical Center; former Member – Baltimore City Chamber of Commerce; Past Chair and former Member – Maryland State Board of Public Accountancy; and Emeritus Member – The Presidents’ Roundtable.

Granville Templeton, III, Esq., Vice-Chairman; term expired July 1, 2026*; resident of Baltimore City; Managing Law Partner – Templeton Firm; Commissioner – Baltimore City Board of Liquor License Commissioners; Vice Chairman of the Board – Beloved Community Services Corporation; former Chairman of the Board – Boys and Girls Clubs Advisory Board of Directors – Baltimore Area Salvation Army; former Chairman of the Board-Project Pneuma Board of Directors; former Chairman of the Board- Monumental City Bar Association; former Member - Monumental City Bar Foundation; former Member – National Academy Foundation; former first Vice Chairman of the Board – Associated Black Charities; former Member – Business Law Section Council Member, Maryland State Bar Association; former Vice Chairman of the Board – International Law Committee, Maryland State Bar Association.

Dereck E. Davis, Ex Officio; resident of Prince George's County; Treasurer of State of Maryland; Chair – Maryland Capital Debt Affordability Committee; Commission on State Debt; and Board of Trustees of the Maryland State Retirement and Pension System; Member – Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans; Maryland Environmental Service Board of Directors; and Board of Revenue Estimates.

Bisma Beg, M.B.B.S., M.D., MPH, PMP, *Member*, term expires July 1, 2028; resident of Howard County; MPH – Bloomberg School of Public Health – The Johns Hopkins University; Member – Board of Health Howard County, Maryland; Associate Medical Director/Administrator – Surgery & Trauma Center; Program Lead (Curriculum & Program Developer & Implementor) Women's Health Education Program for Maryland Department of Public Safety & Corrections; Adjunct Faculty Professor Nursing and Applied Health – Baltimore City Community College, Maryland; Chair Membership Committee – APPNA Maryland – Association of Pakistan Physicians of North American Descent; former OB-GYN – IVF & ICSI; Chief Medical Officer – Tertiary Care Center and teaching hospital (Pakistan).

Frederick W. Meier, Jr., *Member*; term expired July 1, 2025*; resident of Baltimore County; Senior Advisor – Lord Baltimore Capital Partners; former Executive Vice President – First Maryland Bancorp; Director – Rodney Trust Company; Attransco; and AMA Capital Partners; Member – Board of Finance of the City of Baltimore; former Vice President and Trustee – The Baltimore Museum of Art; Honorary Trustee and former President of Board of Trustees – The Boys' Latin School of Maryland; former Director and Board Member – Provident Bankshares; former Member of Board of Governors – The Center Club; and former Director – Forestal San Jose (Chile); Jugos del Sur (Argentina); Norden A/S (Denmark); and Empresas Navieras, S.A. (Chile).

James M. Dugan, CFA, Member; term expires July 1, 2029; resident of Talbot County; Retired Partner and Portfolio Manager at Brown Advisory; Board and Finance Committee Member – Critchlow – Adkins Children's Center; Finance Committee – Carmelite Sisters of Baltimore; Member – CFA Society Baltimore and CFA Institute; Former Member - Investment Committee, Catholic Community Foundation, Archdiocese of Baltimore; Former Board Member – Sisters Academy of Baltimore; Mount Saint Agnes Theological Center for Women.

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* By the terms of the Authority's enabling act, members continue to serve until their successors are appointed.

Arthur S. Varnado, *Member*; term expires July 1, 2028; resident of Howard County; former Vice President of T. Rowe Price Group; Board Member – Stanford University Athletics; National Multiple Sclerosis Society (DC/MD Chapter); former Board Member – St. Ignatius Loyola Academy; Notre Dame Preparatory High School; and Junior Achievement of Central Maryland; Student sponsor – St. Ignatius Loyola Academy and Sisters of Academy of Baltimore; GBC Leadership Class of 2004.

Cale L. Christensen, Member; term expires July 1, 2030; resident of Baltimore County; Senior Vice President and Member of the Board of Directors – The Whiting-Turner Contracting Company; a trustee on The Consortium of Franciscan Centers for Special Education and YMCA Central Maryland Board Member (Spring 2026). He has previously served as Chair of the Board of Woodbourne Center; Chair of the Board of Trustees at St. Elizabeth School, a member on the Baltimore County Economic Development Advisory Board, a graduate of GBC Leadership Class of 2023 and a member of various subcommittees with local organizational committees.

Lyn M. White, *Member*; term expires July 1, 2027; resident of Baltimore City; Vice President, Senior Credit Analyst – PNC Capital Advisors; Member – CFA Society Baltimore and CFA Institute; Former Partner – Brown Advisory; Former Senior Investment Analyst – Fidelity & Guaranty Life; Former Portfolio Manager – Standard Insurance; Former Assistant Vice President, Fixed Income Specialist – Christiana Bank & Trust Company; Former Board Member – Maryland Science Center.

Powers

The Act authorizes the Authority, among other things, to issue bonds, bond anticipation notes and other obligations and to refund the same; to fix and collect rates, rentals, fees and charges for services and facilities that a project provides or makes available; to directly, or through a participating institution acting as its designated agent, acquire, improve, maintain, operate, lease as lessee or lessor, and regulate a project and enter into contracts for any of these purposes and for the management of a project for certain educational institutions, including institutions of higher education and noncollegiate educational institutions, and health care institutions, including hospitals and life care and continuing-care retirement communities; to directly or, through a participating institution acting as its designated agent, establish rules and regulations for the use of a project; to accept a grant, loan or other assistance in any form subject to the provisions of the Act; to mortgage, pledge or otherwise encumber a project and its site or hold a mortgage or other encumbrance on a project and its site for the benefit of the holders of bonds issued to finance a project; to make a loan to a participating institution to improve or acquire a project in accordance with an agreement between the Authority and a participating institution; to refinance any part of a project and refund or repay bonds, mortgages, advances, loans or other obligations of a participating institution to the Authority, any person or any unit of federal, state or local government incurred to finance any part of a project; and to do all acts and things necessary or convenient to carry out the powers expressly granted by the Act.

Bonds and Notes

As of July 1, 2026, the Authority had issued bonds and notes aggregating approximately $34.6 billion in principal amount, of which approximately $10.2 billion remained outstanding under the applicable bond resolution or trust agreement.

The several series of outstanding bonds and notes issued by the Authority are special obligations of the Authority, payable solely from revenues of the Authority received in connection with the respective projects financed or refinanced, and do not constitute general obligations of the Authority, and the full faith and credit of the Authority is not pledged to the payment of the principal or redemption price of and interest on these bonds or notes.

Other than money available from the administrative fees received from participating institutions, it is not anticipated that the Authority will have any assets of its own. Property and funds held by or mortgaged to the Authority for a particular issue of bonds are not available to satisfy claims of holders of other issues of the Authority's bonds. The Authority has no taxing powers.

The Authority expects to enter into separate agreements with other hospitals and related institutions, institutions for higher education and noncollegiate educational institutions to finance and refinance eligible projects. The Authority intends to issue other series of bonds and notes for the purpose of financing and refinancing projects pursuant to such agreements, and each such series will be issued pursuant to a resolution or trust agreement separate and apart from any other resolution or trust agreement, except to the extent a series of bonds may be issued on parity with bonds of another series if permitted by the applicable resolution or trust agreement.

THE PROJECT

Description of the Project

The Project consists of the facilities financed and refinanced with proceeds of the Refunded Bonds and the 2026 Project.

The 2026 Project consists of (a) capital improvements on the Annapolis Campus including (without limitation) (i) the design, construction, and equipping of a new academic building on the Annapolis Campus to add ADA accessible classrooms and studios to the campus; and (ii) the renovation of residential and academic halls to improve mechanical, electrical, and plumbing systems and improve ADA accessibility; and (b) capital improvements on the Santa Fe Campus including (without limitation) (i) the renovation and equipping of the Pritzker Student Center; (ii) technology infrastructure upgrades, and (iii) general deferred maintenance including (without limitation) roof repairs, and electrical and HVAC upgrades.

CERTAIN BONDHOLDERS' RISKS

The Series 2026 Bonds are payable solely from the payments to be made by the Corporation pursuant to the Loan Agreement and the Security Documents. Future revenues and expenses of the Corporation are subject to conditions which may change in the future to an extent that cannot be determined at this time.

Investment in the Series 2026 Bonds involves substantial risks. The following information should be considered by prospective investors in evaluating the Series 2026 Bonds. The paragraphs below discuss certain Bondholders' risks but are not intended to be a complete enumeration of all risks associated with the Corporation or the purchase or holding of the Series 2026 Bonds. The order in which such risks are presented does not necessarily reflect the relative importance of such risks or the likelihood that any of the events or circumstances described below will occur or exist.

Caution Regarding Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "expect," "anticipate," "estimate," "budget," "forecast" or other similar words. The achievement of certain results or other expectations in such forward looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. The Corporation does not plan to issue any updates or revisions to those forward looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based, occur or fail to occur.

General

No entity or person other than the Corporation is or shall be in any way responsible for any payments to be made under the Loan Agreement or the Series 2026 Bonds.

No representation can be made or assurance given that revenues will be realized by the Corporation in amounts sufficient to make the payments necessary to meet the obligations of the Corporation. Future revenues and expenses of the Corporation are subject to, among other things, the capabilities of the management of the Corporation and future economic conditions and other conditions which are unpredictable, and which may affect the revenues of the Corporation and, therefore, payments of principal of and interest on the Series 2026 Bonds and other obligations of the Corporation.

There are a number of factors affecting institutions of higher education in general, and the Corporation in particular, that could have an adverse effect on the Corporation's financial position and its ability to make the payments required under the Loan Agreement. These factors include (i) the ability of prospective students and their parents to afford the costs of a college education; (ii) the ability of the Corporation to compete with both less expensive state-supported institutions and with other private institutions; (iii) the ability to maintain or increase funds from other sources, including gifts and contributions from donors and grants or appropriations from governmental bodies; (iv) reductions in the sources of funds available to pay tuition, such as student loans and grants; (v) adverse results from the investment of endowment funds; (vi) increasing costs of compliance with federal or state regulatory laws and regulations, including (without limitation) laws and regulations concerning environmental quality, work safety and accommodating the handicapped, and changes in federal government policy relating to the reimbursement of overhead costs on government grants and contracts; (vii) any unionization of the work force with consequent impact on wage scales and operating costs; (viii) inflation and increasing operating and maintenance costs; and (ix) changes in the structure of faculty compensation at higher educational institutions.

Limited Obligations

The Series 2026 Bonds are special obligations of the Authority, the principal or Redemption Price of and interest on which are payable solely from Revenues. While the Corporation believes, based on present circumstances, that it will generate sufficient revenues to meet its obligations under the Loan Agreement, the basis of the assumptions utilized by the Corporation to formulate this belief may change, and no representation or assurance can be made that the Corporation will continue to generate sufficient revenues to meet such obligations.

None of the State of Maryland, any political subdivision thereof or the Authority shall be obligated to pay the Series 2026 Bonds or the interest thereon except from Revenues, and neither the faith and credit nor the taxing power of the State of Maryland, of any political subdivision thereof or of the Authority is pledged to the payment of the principal of or the interest on the Series 2026 Bonds. The issuance of the Series 2026 Bonds does not directly or indirectly or contingently obligate, morally or otherwise, the State of Maryland, any political subdivision thereof or the Authority to levy or to pledge any form of taxation whatever thereof or to make any appropriation for their payment. The Authority has no taxing power.

Restricted Assets; Limited Use Assets

The Corporation's net assets include endowments and similar funds that may be utilized only for designated purposes. Portions of these funds may not be available for payment of the Corporation's obligations under the Loan Agreement. As of June 30, 2026, the market value of these endowments and similar funds was approximately $404,500,000, excluding notes receivable. See "Financial Matters – Endowment Fund" in Appendix A.

Much of the Corporation's property would not be readily suitable for use for any purpose other than education. Hence, no assurance can be given that the Corporation could sell its physical properties for an amount sufficient to satisfy its indebtedness, including the Series 2026 Bonds, if the Corporation were unable to meet its obligations under the Loan Agreement.

Risks Related to Construction of the 2026 Project

The Corporation is currently undertaking certain construction projects. Although the Corporation believes it has adequately estimated the costs of these projects, construction costs which exceed current estimates must be paid by the Corporation. Higher than expected construction costs could have adverse effects on the Corporation's financial condition. The uncertainties inherent in construction may result in escalations of the cost of its projects or delays in completion which may have an adverse effect on the Corporation's financial condition. The Corporation's ability to complete the projects may be subject to its ability to obtain certain governmental approvals prior to commencement of its projects and as construction progresses. Although the Corporation believes that the projects will receive such approvals, there can be no assurance that such approvals will be obtained in a timely fashion or that changes in the scope of the projects will not be required.

Bankruptcy; Limitations on Enforceability

The rights and remedies of the owners of the Series 2026 Bonds are subject to various provisions of the Federal Bankruptcy Code (the "Bankruptcy Code"). If the Corporation were to become a debtor in a bankruptcy case, its revenues and certain of its accounts receivable and other property created or otherwise acquired after the filing of such petition and for up to 90 days prior to the filing of such petition may not be subject to the security interest created under the Security Documents for the benefit of the owners of the Series 2026 Bonds. The filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Corporation and its property, and as an automatic stay of any act or proceeding to enforce a lien upon or to otherwise exercise control over its property. If the bankruptcy court so ordered, the property of the Corporation, including accounts receivable and proceeds thereof, could be used for the financial rehabilitation of the Corporation despite the security interest of the Trustee therein. While the Bankruptcy Code requires that the interest of the Trustee as lien owner be adequately protected before the collateral may be used by the Corporation, such protection could take the form of a replacement lien on assets of the Corporation acquired or created after the bankruptcy petition is instituted. The rights of the Trustee to enforce liens and security interests against the Corporation's assets could be delayed during the pendency of the rehabilitation proceedings.

The Corporation could file a plan for the reorganization of its debts in any such proceeding which could include provisions modifying or altering the rights of creditors generally, or any class of them, secured or unsecured. The plan, when confirmed by a court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are that the plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two thirds in dollar amount and more than one half in number of the class cast votes in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

In addition, the realization of any rights under the Loan Agreement and the Security Documents upon a default by the Corporation depends upon the exercise of various remedies specified in the Loan Agreement and the Security Documents. These remedies may require judicial action which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Loan Agreement and the Security Documents may not be readily available or may be limited. For example, a court may decide not to order the specific performance of the covenants contained in the Loan Agreement and the Security Documents. Accordingly, the ability of the Authority or the Trustee to exercise remedies under the Loan Agreement and the Security Documents upon an event of default could be impaired by the need for judicial or regulatory approval.

Failure to Maintain Enrollment

Tuition and fee revenues are a material revenue source for the Corporation, representing approximately 20% of unrestricted revenue of the Corporation for its most recent fiscal year. The economic viability of the Corporation and its ability to make the payments required under the Loan Agreement with respect to the Series 2026 Bonds depends on, among other things, a relatively steady level of enrollment and income from tuition and fees paid by students. No assurance can be given that present enrollment levels will remain constant or increase over the life of the Series 2026 Bonds. For many years it has been predicted that the number of high school graduates (and thus potential college enrollees) would peak in 2025 and then decline steadily through 2041. This "Demographic Cliff" or "Enrollment Cliff" is the result of birth rates declining since 2007. In 2024, the Western Interstate Commission for Higher Education projected that by 2041 the overall population of high school graduates will decline by 13%, presenting major challenges for colleges and universities trying to recruit from a dwindling pool. A change in the perception of the value of a college or university degree is another challenge to maintaining enrollment, along with new visa restrictions and delays in visa processing for international students. Numerous factors will impact the number of applicants to the Corporation, including (without limitation) the level of tuition and fee increases, competition from other higher educational institutions, a change in the number of college age students and general economic conditions. Furthermore, the Corporation's unique curriculum and specialization makes enrollment and retention more difficult. See "Student Enrollment" in Appendix A. If the Corporation were to encounter significant financial difficulty, maintaining enrollment would also become more difficult. See "Student Enrollment" in Appendix A.

Changes in Senior Management

As is the case with any educational institution, changes in senior management will occur over time. Such changes may adversely affect the future course of the Corporation, including its operations and financial results. For information on the Corporation's current senior management, see "Administration" in Appendix A. Loss of any such senior management, and the inability of the Corporation to find comparable qualified replacements, could adversely affect the operations or financial results of the Corporation.

Competition

As described above, a key factor in maintaining its revenues is the Corporation's ability to attract a sufficient number of qualified students. The Corporation competes with state-supported and private colleges and universities located in Maryland and New Mexico and other regions from which the Corporation draws its students, many of which have lower tuition and fees than the Corporation. In addition, attracting and retaining qualified faculty is essential to attracting students and is dependent on the Corporation's ability to offer competitive compensation and facilities. No assurances can be given that the Corporation will continue to attract sufficient numbers of qualified students and faculty at current levels of tuition and fees and compensation, respectively, so that its revenues will be sufficient to make the payments under the Loan Agreement.

Faculty

The ability of the Corporation to attract and retain quality faculty members is an important factor in the Corporation's academic reputation and its ability to attract students. Approximately 61% of the Corporation's full-time faculty members are tenured. Should any reduction of programs be necessitated by economic conditions, the Corporation's ability to reduce the size of its faculty may be limited. See "Faculty and Staff" in Appendix A for additional information concerning the Corporation's faculty.

Accreditation

The Annapolis Campus is accredited by the Middle States Commission on Higher Education ("MSCHE"), and the Santa Fe Campus is accredited by the Higher Learning Commission (the "HLC"). To attract students and to qualify under federal, state, and private student financial aid programs, the Corporation must maintain its accreditation with MSCHE and HLC or any successor accreditation agencies, and the Corporation is not guaranteed to be able to maintain such accreditation. See "Accreditation and Affiliations" in Appendix A.

Dependence on Financial Aid

A substantial portion of the Corporation's revenues from tuition and fees is funded by student loans and other federal government programs listed under "Financial Aid" in Appendix A, as well as the Corporation's own funds. Financial assistance in the form of scholarships, grants, loans and employment is a significant factor in the decision of many students to attend a particular college or university. During the most recent fiscal year ended, approximately 90% of the Corporation's students received some form of financial assistance. The level of financial assistance is directly affected by funding levels of federal and state financial aid programs, the level of private giving to the Corporation and income derived from the investment of endowment and other funds.

There is no assurance that these financial aid programs will continue to be available to the students of the Corporation. Any significant reduction in the level of financial aid offered to students could reduce enrollment at the Corporation, thereby adversely affecting the Corporation's ability to generate tuition revenues and therefore its ability to make payments under the Loan Agreement.

Investment Income

In fiscal year 2025, approximately 27.3% of the Corporation's total operating revenues were derived from the Corporation's board-approved annual endowment spending, withdrawal of unrestricted reserves, and investment income from non-endowed accounts. See "Financial Matters – Endowment Fund" in Appendix A. While the Corporation believes that its investments are being managed prudently and has adopted policies designed to continue the prudent management of its investments, there can be no assurance that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom.

Fundraising

In fiscal year 2025, approximately 31% of the Corporation's unrestricted revenues, gains and other support were derived from fundraising activities (including revenue from previously restricted gifts that were released in Fiscal Year 2025). The Corporation has demonstrated its ability to raise funds to finance its operations and capital development programs and to build the size of its investments from a variety of benefactors. It plans to continue these efforts. There can be no assurance, however, that these ongoing efforts will be successful. Such efforts may be affected adversely by a number of factors, including changes in general economic conditions and tax law changes affecting the deductibility of charitable contributions. The Corporation's ability to pay its obligations under the Loan Agreement may be affected by the success of its ongoing fundraising efforts. To the extent the Corporation's fundraising efforts are not as successful as anticipated, the Corporation must raise revenues to pay such obligations from other sources, including its operating revenues, investment income or disposition of assets. Actions by the Corporation to generate such other revenues by, for example, increasing tuition or enrollment may adversely affect its ability to attract and maintain students at current levels.

Government Funding

The federal and state governments provide funding to support education, including tuition assistance for certain of the Corporation's qualifying students. Such sources of funding and the government programs that support them are subject to modification and revision due to federal and state policy decisions, legislative action and government funding limitations. Reductions in the amount of government funding could adversely affect the financial condition of the Corporation.

Requirements of Credit Providers

Certain agreements entered into by the Corporation may contain certain terms that are different or more restrictive than those described herein, including, among others, requirements that the Corporation generate a certain debt service coverage ratio, maintain a certain level of unrestricted cash and marketable securities and maintain certain credit ratings, as well as certain limitations on the incurrence by the Corporation of additional indebtedness and other obligations and on dispositions of assets. Any default under the terms of any such agreement that is not remedied within any applicable cure period or waived by the other party to such agreement could cause an Event of Default under the Loan Agreement, which could result in a decline in the market value of the Series 2026 Bonds, and default and acceleration of the Series 2026 Bonds.

Future Results May Differ from Historical Results

Certain financial information regarding the Corporation is set forth in Appendix A and certain audited financial statements of the Corporation are set forth in Appendix B. There can be no assurance that the financial results achieved in the future will be similar to historical results. Such future results will vary from historical results and the variations may be material. Therefore, the historical operating results cannot be taken as a representation that the

Corporation will be able to generate sufficient revenues in the future to fulfill its obligations under the Loan Agreement.

Environmental Laws and Regulations

The Corporation, its operations and its properties are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations.

At the present time, management of the Corporation is not aware of any pending or threatened claim, investigation or enforcement action regarding any environmental issues which, if determined adversely to the Corporation, would have a material adverse effect on its results of operations or financial condition.

Cybersecurity

Like all higher education institutions, the Corporation relies on electronic systems and technologies in support of its finances and educational activities and otherwise conduct its operations. In the past several years, a number of entities have sought to gain unauthorized access to electronic systems of various organizations for the purposes of misappropriating assets or personal, operational, financial or other sensitive information, causing operational disruption or to ransom sums from the target. These attempts, which are increasing, include highly sophisticated efforts to electronically circumvent security measures as well as more traditional intelligence gathering aimed at obtaining information necessary to gain access.

The Corporation maintains a security posture designed to deter "cyber-attacks" and is committed to deterring attacks on its electronic systems and responding to such attacks to minimize their impact on operations. However, no assurances can be given that the Corporation's security measures will be able to prevent cyber-attacks on its electronic systems, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Corporation.

Unfunded OPEB Liability

The Corporation had an unfunded OPEB liability of $9,814,894 at the end of fiscal year 2025. See "Appendix B -- Audited Financial Statements of the Corporation."

Secondary Market for Series 2026 Bonds

There can be no assurance that there will be a secondary market for the Series 2026 Bonds and from time to time there may be no market for them depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition and results of operations of the Corporation.

Tax Exemptions

Tax-Exempt Status of Interest on Series 2026 Bonds

The Internal Revenue Code of 1986, as amended (the "Internal Revenue Code" or the "Code"), imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the Series 2026 Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds of the Series 2026 Bonds and the facilities financed or refinanced with such proceeds, limitations on the investment of amounts deemed to be proceeds of the Series 2026 Bonds prior to expenditure, a requirement that certain investment earnings on amounts deemed to be proceeds of the Series 2026 Bonds be paid periodically to the United States and a requirement that the Authority file an information report with the Internal Revenue Service (the "IRS").

The Authority and the Corporation have made certain covenants regarding actions required to maintain the excludability from gross income for federal income tax purposes of interest on the Series 2026 Bonds. Failure to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the Series 2026 Bonds as taxable, retroactively to the date of issuance. If interest on the Series 2026 Bonds were declared to be includable in gross income for purposes of federal income taxation, no additional amounts would be payable on the Series 2026 Bonds to compensate the holders or former holders thereof for the taxes which they may be required to pay, and the Series 2026 Bonds do not provide for a mandatory redemption in such event.

The IRS has increased the number of audits of tax-exempt bonds in the charitable organization sector in recent years. The Series 2026 Bonds may be subject to audit by the IRS from time to time. No ruling with respect to the tax-exempt status of the Series 2026 Bonds has been or will be sought from the IRS, and the opinion of Bond Counsel to the Authority as to the excludability from gross income of the interest on the Series 2026 Bonds for federal income tax purposes is not binding on the IRS or the courts. See "Tax Matters – Series 2026 Bonds."

Further, the IRS requires most tax-exempt organizations to file a Form 990, which includes a schedule (Schedule K) requiring the tax-exempt organizations to report on the investment and use of bond proceeds to address IRS concerns regarding compliance with arbitrage rebate requirements and the private use of bond-financed facilities and to provide other information that is intended to address what the IRS believes is significant noncompliance with recordkeeping and record retention requirements. Form 990 may be the basis of IRS enforcement action, as detailed information on compliance risk areas is made available to the IRS and other stakeholders.

If the Series 2026 Bonds were to be audited, the market for and the market value of the Series 2026 Bonds could be adversely affected during the pendency of the examination and thereafter, even if the outcome of the audit were to be favorable.

Tax-Exempt Status of the Corporation

The tax-exempt status of the Series 2026 Bonds presently depends upon the maintenance by the Corporation of its status as an organization described in Section 501(c)(3) of the Code. In addition, if the Corporation were to lose its tax-exempt status, its property and its revenues could become subject to federal, state and local income taxation. For these reasons, loss of the tax-exempt status of the Corporation could have a material adverse effect on the results of operations and financial condition of the Corporation.

The maintenance of the federal tax-exempt status of an organization is contingent on compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions which may cause their earnings or assets to inure to the benefit of private individuals. As these general principles were developed primarily for public charities which do not conduct business activities, they often do not adequately address the myriad of operations and transactions entered into by higher educational institutions.

One of the tools available to the IRS to discipline a tax-exempt entity for private inurement or unlawful private benefit is revocation of the entity's tax-exempt status. Although the IRS has not often revoked the tax-exempt status of an organization, it could do so in the future.

State Income Tax Exemption and Local Property Tax Exemption

It is likely that the loss by the Corporation of its federal income tax exemption would also result in a challenge to the state income tax exemption of the Corporation. Depending on the circumstances, such event could be adverse and material.

In recent years, state, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt organizations with respect to their real property tax exemptions. In some cases, the real property tax exemption of the organizations has been questioned. The real property owned by tax-exempt entities and used for educational and other tax-exempt purposes of the Corporation is currently exempt from real property taxation.

Unrelated Business Taxable Income

In recent years, the IRS and state, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt organizations with respect to their exempt activities and the generation of unrelated business taxable income ("UBTI"). Management believes it has properly accounted for and reported UBTI; nevertheless, an investigation or audit could lead to a challenge which could result in taxes, interest and penalties with respect to unreported UBTI and in some cases could affect the tax-exempt status of the Corporation as well as the excludability from gross income for federal income tax purposes of the interest payable on the Series 2026 Bonds and any other tax-exempt debt issued on behalf of the Corporation.

Legislative Developments

Legislative proposals proposed after issuance and delivery of the Series 2026 Bonds could adversely affect the market value of the Series 2026 Bonds. Further, if enacted into law, any such proposal could cause the interest on the Series 2026 Bonds to be subject, directly or indirectly, to federal income taxation and could otherwise alter or amend one or more of the provisions of federal tax law described below under "Tax Matters – Series 2026 Bonds" or their consequences. Prospective purchasers of the Series 2026 Bonds should consult with their tax advisors as to the status and potential effect of pending and future legislative proposals, as to which Bond Counsel expresses no opinion.

Prepayment Risks

The Series 2026 Bonds are subject to redemption in advance of their stated maturities without premium or penalty. See "The Series 2026 Bonds -- Redemption Provisions." Upon the occurrence of certain events of default, the payment of the principal of and interest on the Series 2026 Bonds may be accelerated. See "Summary of Certain Provisions of the Indenture -- Events of Default and Remedies" in Appendix C. Thus, there can be no assurance that the Series 2026 Bonds will remain outstanding until their stated maturities.

Additional Indebtedness

The Loan Agreement permits the issuance of additional Indebtedness subject to certain conditions set forth in the Loan Agreement and the 2020 Loan Agreement. Such additional indebtedness could adversely affect the Corporation's ability to pay its operating expenses and debt service, including debt service on the Series 2026 Bonds. Such additional indebtedness might not include additional security for the outstanding indebtedness, which would dilute the value of any collateral for the Series 2026 Bonds and any other outstanding indebtedness. See "Additional Debt." In addition, under certain circumstances the Corporation is permitted to incur short term indebtedness secured by accounts receivable and the lender of such indebtedness will be able to obtain a security interest in such accounts receivable that is superior to the security interest securing the Series 2026 Bonds. See "Additional Debt -- Corporation Permitted to Incur Additional Indebtedness."

Bond Rating

There is no assurance that the rating assigned to the Series 2026 Bonds at the time of issuance will not be lowered or withdrawn at any time, which could adversely affect the market price and marketability of the Series 2026 Bonds. See "Rating."

No Survey or Title Insurance

A survey of the Mortgaged Property has not been prepared. The Corporation has not purchased title insurance on the Mortgaged Property. There can be no assurance that there are not any material encumbrances or easements on the Mortgaged Property or any clouds on the title to the Mortgaged Property.

Damage or Destruction

There can be no assurance that the Corporation will not suffer losses for which insurance cannot be, or has not been, obtained or that the amount of any such losses will not exceed the coverage of such insurance policies. See "Insurance" in Appendix A.

Legislative and Regulatory Actions

The Corporation and its operations are subject to regulation, certification and accreditation by various federal, state and local government agencies and by certain nongovernmental agencies. No assurance can be given as to the effect on future operations of existing laws, regulations and standards for certification or accreditation or of any future changes in such laws, regulations and standards.

Certain Other Risk Factors

The following factors, among others, may also adversely affect the Corporation to an extent that cannot be determined at this time:

(1) Changes in key management personnel.

(2) Loss of accreditation. See "Accreditations and Affiliations" in Appendix A.

(3) A decline in the population, a change in the age composition of the population or a decline in the economic condition of the Corporation's market.

(4) Changes in demand for higher education in general or for the programs offered by the Corporation.

(5) Reduced availability of qualified faculty to teach the programs offered by the Corporation.

(6) Future federal, state and local legislation adversely affecting the Corporation.

(7) Increased costs resulting from unionization of the employees of the Corporation or the utilization by a non-union employee of the Corporation of proceedings available under the National Labor Relations Act. See "Faculty and Staff" in Appendix A.

(8) Other increases in costs, including costs associated with, among other things, salaries, wages and fringe benefits, supplies, technology, equipment, insurance, energy and other utilities and other costs that could result in a sizable increase in expenditures without a corresponding increase in revenues.

(9) Changes in federal, state or local taxation of not-for-profit corporations such as the Corporation.

(10) The occurrence of natural disasters, including floods, hurricanes, tornadoes, wildfires, endemics, pandemics and earthquakes, or the occurrence of a criminal or terrorist acts or other calamities that could damage the facilities of the Corporation, interrupt utility service to its facilities or otherwise impair the operations of the Corporation. Any losses resulting from the occurrence of any such event may not be covered by property insurance carried by the Corporation.

(11) Litigation resulting in required payments by the Corporation which exceed applicable insurance coverages.

The paragraphs above discuss certain Bondholders' risks but are not intended to be a complete enumeration of all risks associated with the purchase or holding of the Series 2026 Bonds.

UNDERWRITING

The Series 2026 Bonds are being purchased by Stifel, Nicolaus & Company, Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Series 2026 Bonds at an aggregate discount of $__________ from the respective initial offering prices set forth on the cover page of this Official Statement. The bond purchase contract provides that the Underwriter will purchase all the Series 2026 Bonds, if any are purchased, and contains the agreement of the Corporation to indemnify the Underwriter and the Authority against losses, claims, damages and liabilities arising out of certain incorrect statements or information contained in this Official Statement.

The initial offering prices set forth on the cover of this Official Statement may be changed from time to time by the Underwriter.

The Underwriter may offer and sell Series 2026 Bonds to certain dealers (including dealers depositing Series 2026 Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriter) and others at prices lower than the offering prices set forth on the cover page hereof.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Corporation and to persons and entities with relationships with the Corporation, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Corporation (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Corporation.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Corporation.

RATING

S&P Global Ratings ("S&P") has assigned the Series 2026 Bonds ratings of "A-" with a stable outlook. The Corporation furnished to S&P certain materials and information with respect to the Series 2026 Bonds and the Corporation. Generally, rating agencies base their ratings on such materials and information and on investigations, studies and assumptions by the rating agencies. This rating reflects only the view of S&P.

The description of the rating set forth above was obtained from the rating agency furnishing such rating and none of the Authority, the Corporation or the Underwriter takes any responsibility for such description. Further information relating to the significance of any rating may be obtained from the rating agency furnishing such rating.

No assurance can be given that such rating will remain in effect for any given period of time or that it will not be reduced or withdrawn by the rating agency, if in the judgment of the rating agency circumstances so warrant. Any downward change in or withdrawal of such rating could adversely affect the market price of the Series 2026 Bonds.

TAX MATTERS

The following is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Series 2026 Bonds should consult their own tax advisors as to the effects, if any, of the Code (and any proposed or subsequently enacted amendments to the Code) in their particular circumstances.

Tax Exemptions

McKennon Shelton & Henn LLP, Bond Counsel to the Authority, is of the opinion that, under existing statutes, regulations and decisions, (i) assuming compliance with certain covenants described herein, the interest on the Series 2026 Bonds is excludable from gross income for purposes of federal income taxation and (ii) by the terms of the Act, the interest on the Series 2026 Bonds, the transfer of the Series 2026 Bonds and any income derived from the Series 2026 Bonds, including profits made in their sale or transfer, are exempt from all Maryland state and local taxes. No opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Series 2026 Bonds, their transfer or the income therefrom.

Under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Series 2026 Bonds in order for interest on the Series 2026 Bonds to remain excludable from gross income for federal income tax purposes, including restrictions that must be complied with throughout the term of the Series 2026 Bonds. These include the following: (i) a requirement that certain earnings received from the investment of amounts deemed to be proceeds of the Series 2026 Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Series 2026 Bonds; (iii) a requirement that all or a portion of the aggregate principal amount of the Bonds, when increased by the total amount of outstanding "nonhospital bonds" (within the meaning of Section 145 of the Code) of any 501(c)(3) organization which is a "test-period beneficiary" (within the meaning of the Code) with respect to the Bonds, may not exceed $150,000,000; and (iv) other requirements applicable to the use of the proceeds of the Series 2026 Bonds and the facilities financed or refinanced with proceeds of the Series 2026 Bonds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Series 2026 Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Authority and the Corporation have made certain covenants regarding actions required to maintain the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes. It is the opinion of Bond Counsel that, assuming compliance with such covenants, the interest on the Series 2026 Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

Further, Bond Counsel is of the opinion that under existing statutes, regulations and decisions, interest on the Series 2026 Bonds is not included in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. However, interest on the Series 2026 Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax imposed on applicable corporations. For this purpose, in general, applicable corporations are corporations with more than $1.0 billion in average annual adjusted financial statement income determined over a 3-year period. Interest income on the Series 2026 Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

In rendering its opinion, McKennon Shelton & Henn LLP will rely on the Corporation's Tax and Section 148 Certificate and Agreement with respect to certain material facts within the knowledge of the Corporation relevant to the tax-exempt status of interest on the Series 2026 Bonds and will assume the correctness of the opinion of Gallagher LLP with respect to the tax-exempt status of the Corporation, in each case without independent investigation. See Appendix D hereto for the proposed form of opinion of Bond Counsel.

Additional Federal Income Tax Considerations

Certain Federal Tax Consequences of Ownership

There are other federal income tax consequences of ownership of obligations such as the Series 2026 Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest; (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 25% of the sum of tax-exempt interest received or accrued and the deductible portion of dividends received by such companies; (iii) interest income which is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income taxation purposes; (iv) for S corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, including interest on tax-exempt obligations such as the Series 2026 Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; (v) net gain realized upon the sale or other disposition of property such as the Series 2026 Bonds generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates; and (vi) receipt of certain investment income, including interest on the Series 2026 Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code.

Tax Accounting Treatment of Discount Bonds

Certain maturities of the Series 2026 Bonds may be issued at an initial public offering price that is less than the amount payable on such Series 2026 Bonds at maturity (the "2026 Discount Bonds"). The difference between the initial offering price at which a substantial amount of the 2026 Discount Bonds of each maturity was sold and the principal amount of such 2026 Discount Bonds payable at maturity constitutes original issue discount. In the case of any holder of 2026 Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to such 2026 Discount Bonds is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption, purchase or payment at maturity). For federal income tax purposes (i) any holder of a 2026 Discount Bond will recognize gain or loss upon the disposition of such 2026 Discount Bond (including sale, early redemption, purchase or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the sum of (1) the holder's original cost basis in such 2026 Discount Bond, and (2) the amount of original issue discount attributable to the period during which the holder held such 2026 Discount Bond, and (ii) the amount of the basis adjustment described in clause (i)(b)(2) will not be included in the gross income of the holder.

Original issue discount on 2026 Discount Bonds will be attributed to permissible compounding periods during the life of any 2026 Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the 2026 Discount Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the 2026 Discount Bonds and must begin or end on the date of such payments. Such yield then is used to determine an amount of accrued interest for each permissible compounding period. For this purpose, interest is treated as compounding periodically at the end of each applicable compounding period. The amount of original issue discount which is treated as having accrued in respect of a 2026 Discount Bond for any particular compounding period is equal to the excess of (i) the product of (a) the yield on the 2026 Discount Bond (adjusted as necessary for any initial short period) divided by the number of compounding periods in a year, multiplied by (b) the amount that would be the tax basis of such 2026 Discount Bond at the beginning of such period if held by an original purchaser who purchased at the initial public offering price, over (ii) the amount actually payable as interest on such 2026 Discount Bond during such period. The tax basis of a 2026 Discount Bond, if held by an original purchaser, can be determined by adding to the initial public offering price of such 2026 Discount Bond the original issue discount that is treated as having accrued during all prior compounding periods. If a 2026 Discount Bond is sold or otherwise disposed of between compounding dates, then interest which would have accrued for that compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Holders of 2026 Discount Bonds should note that, under applicable regulations, the yield and maturity of a 2026 Discount Bond is determined without regard to commercially reasonable sinking fund payments and any original issue discount remaining unaccrued at the time that a 2026 Discount Bond is redeemed or purchased in advance of stated maturity will be treated as taxable gain. Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable upon the occurrence of certain contingencies.

The yields (and related prices) provided by the Underwriter shown on the cover of this Official Statement may not reflect the initial issue prices for purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the 2026 Discount Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of 2026 Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on 2026 Discount Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on such 2026 Discount Bonds under the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the 2026 Discount Bonds should consult their tax advisors.

Tax Accounting Treatment of Premium Bonds

A Series 2026 Bond will be considered to have been acquired at a premium if, and to the extent that, the holder's tax basis in such Series 2026 Bond exceeds the amount payable at maturity (or, in the case of a Series 2026 Bond callable prior to maturity, the amount payable on the earlier call date). Under regulations applicable to the Series 2026 Bonds, the amount of the premium accrual is determined with reference to the amount payable on that call date (including for this purpose the maturity date) which produces the lowest yield to maturity on such Series 2026 Bond. The holder will be required to reduce his tax basis in such Series 2026 Bond for purposes of determining gain or loss upon disposition of such Series 2026 Bond by the amount of amortizable bond premium that accrues, determined in the manner prescribed in the regulations. Generally, no deduction is allowable in respect of any amount of amortizable bond premium on the Series 2026 Bonds.

Purchasers with questions concerning the detailed tax consequences of transactions in Series 2026 Bonds issued at a premium should consult their tax advisors

Purchase, Sale and Retirement of Series 2026 Bonds

Except as noted below with respect to accrued market discount, the sale or other disposition of a Series 2026 Bond may result in capital gain or loss to its holder. A holder's initial tax basis in a Series 2026 Bond will be its cost. Upon the sale or retirement of a Series 2026 Bond, for federal income tax purposes a holder will recognize capital gain or loss upon the disposition of such Series 2026 Bond (including sale, early redemption or repayment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Series 2026 Bond, determined by adding to the original cost basis in such Series 2026 Bond the amount of original issue discount that is treated as having accrued as described above under "Tax Accounting Treatment of Discount Bonds," as applicable. Such gain or loss will be long-term capital gain or loss if at the time of the sale or retirement the Series 2026 Bond has been held for more than one year. Under present law both long and short-term capital gains of corporations are taxed at the rates applicable to ordinary income. For noncorporate taxpayers, however, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

If a holder acquires a Series 2026 Bond at a discount from its stated redemption price at maturity (or in the case of a Series 2026 Bond issued at an original issue discount, at a price that produces a yield to maturity higher than the yield to maturity at which such Series 2026 Bond was first issued), the holder will be deemed to have acquired the Series 2026 Bond at "market discount," unless the amount of market discount is *de minimis*, as described in the following paragraph. If a holder that acquires a Series 2026 Bond with market discount subsequently realizes a gain upon the disposition of the Series 2026 Bond, such gain shall be treated as taxable ordinary income to the extent such gain does not exceed the accrued market discount attributable to the period during which the holder held such Series 2026 Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Series 2026 Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of such Series 2026 Bond's stated redemption or purchase price at maturity over the holder's cost of acquiring such Series 2026 Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires such Series 2026 Bond and its stated maturity date. In the case of a Series 2026 Bond issued with original issue discount, market discount will be *de minimis* if the excess of such Series 2026 Bond's revised issue price over the holder's cost of acquiring such Series 2026 Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires such Series 2026 Bond and its stated maturity date. For this purpose, a Series 2026 Bond's "revised issue price" is the sum of (i) its original issue price and (ii) the aggregate amount of original issue discount that is treated as having accrued with respect to such Series 2026 Bond during the period between its original issue date and the date of acquisition by the holder.

U.S. Federal Backup Withholding and Information Reporting

In general, information reporting requirements apply with respect to payments to certain non-corporate United States holders of interest and original issue discount on, and payments to such holders of the proceeds of the sale, exchange, redemption, retirement or other disposition of the Series 2026 Bond. If a United States holder of a Series 2026 Bond (other than a corporation or other specified exempt entity) fails to satisfy applicable information reporting requirements imposed by the Code, payments to such holder will be subject to "backup withholding", which means that the payor is required to deduct and withhold a tax equal to 24% of the payments. In general, the information reporting requirements (where applicable) are satisfied if the holder completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification." Backup withholding should not occur if a holder purchases a Series 2026 Bond through a brokerage account with respect to which a Form W-9 has been provided, as generally can be expected. Any amounts withheld pursuant to backup withholding would be subject to recovery by the holder through proper refund or credit.

Legislative Developments

Legislative proposals under consideration or proposed after issuance and delivery of the Series 2026 Bonds could adversely affect the market value of the Series 2026 Bonds. Further, if enacted into law, any such legislation could cause the interest on the Series 2026 Bonds to be subject, directly or indirectly, to federal income taxation and could otherwise alter or amend one or more of the provisions of federal tax law described above or their consequences. Prospective purchasers of the Series 2026 Bonds should consult with their tax advisors as to the status and potential effect of legislative proposals, as to which Bond Counsel expresses no opinion.

LEGALITY OF SERIES 2026 BONDS FOR INVESTMENT AND DEPOSIT

The Act provides that the Series 2026 Bonds are securities in which all public officers and public bodies of the State of Maryland and its political subdivisions, all insurance companies, state banks and trust companies, savings banks, savings and loan associations, investment companies, executors, administrators, trustees and other fiduciaries in the State of Maryland may properly and legally invest funds.

The Series 2026 Bonds, under the Act, may be deposited with and received by any State or municipal officer or any agency or political subdivision of the State of Maryland for any purpose for which the deposit of bonds or obligations of the State of Maryland may be authorized by law.

STATE NOT LIABLE ON SERIES 2026 BONDS

The Series 2026 Bonds are special obligations of the Authority payable solely from the Revenues and other amounts pledged therefor under the Indenture, and neither the faith and credit nor the taxing power of the State of Maryland, of any political subdivision thereof or of the Authority is pledged to the payment of the principal of or interest on the Series 2026 Bonds.

The sources of revenues or money of the Authority are limited to those provided by the Act, and the issuance of the Series 2026 Bonds does not directly or indirectly or contingently obligate, morally or otherwise, the State of Maryland, any political subdivision thereof or the Authority to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Authority has no taxing power.

CORPORATE EXISTENCE OF THE AUTHORITY

The Act states that the Authority and its corporate existence shall continue until terminated by law, provided that no such law shall take effect so long as the Authority shall have bonds, notes or other obligations outstanding, unless adequate provision has been made for the payment thereof. Upon termination of the existence of the Authority, all its rights and properties shall pass to and be vested in the State of Maryland.

FINANCIAL ADVISORS

Public Financial Advisors LLC ("PFM") has served as financial advisor to the Authority in connection with the issuance of the Series 2026 Bonds. PFM is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness or fairness of the information contained in this Official Statement. PFM is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing securities.

LEGAL MATTERS

McKennon Shelton & Henn LLP is acting as Bond Counsel to the Authority in connection with the issuance of the Series 2026 Bonds. The proposed form of Bond Counsel's approving opinion appears in Appendix D. Certain legal matters will be passed upon for the Underwriter by McGuireWoods LLP and for the Corporation by Gallagher LLP.

INDEPENDENT AUDITORS

The financial statements of the Corporation as of June 30, 2025 and for the year then ended included in Appendix B of this Official Statement have been audited by CBIZ CPAs P.C., independent auditors, as stated in their report appearing in Appendix B. The financial statements of the Corporation as of June 30, 2024 and for the year then ended included in Appendix B of this Official Statement have been audited by Marcum LLP, independent auditors, as stated in their report appearing in Appendix B.

Neither CBIZ CPAs P.C. nor Marcum LLP has performed (or been engaged to perform), since the date of its respective report included in Appendix B, any procedures on the financial statements addressed in such report. Neither CBIZ CPAs P.C. nor Marcum LLP has performed (or been engaged to perform) any procedures relating to this Official Statement.

RELATIONSHIPS

McKennon Shelton & Henn LLP serves as general counsel to the Authority and is acting as Bond Counsel in connection with the issuance of the Series 2026 Bonds.

Derek Alexander serves as a member of the Corporation's Board of Visitors and Governors and is the Head of the Institutional Group Legal at Stifel Nicolaus & Company, which is serving as Underwriter.

CONTINUING DISCLOSURE

Generally

The Corporation will covenant for the benefit of the owners of the Series 2026 Bonds in a Continuing Disclosure Certificate (the "Disclosure Certificate") to provide (a) certain financial information and operating data relating to the Corporation annually to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA") and (b) notice of the occurrence of certain enumerated events not in excess of ten business days after the occurrence of such event to EMMA. The proposed form of the Disclosure Certificate is included as Appendix F hereto. The covenants have been made to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the "Rule").

The Prior Undertakings

The Corporation has entered into prior written undertakings (collectively, the "Prior Undertakings" and each individually a "Prior Undertaking") similar to the Disclosure Certificate in connection with the Refunded Bonds and the Series 2020 Bonds.

Policies and Procedures

To ensure that the Corporation complies with its continuing disclosure obligations, the Corporation has (a) reviewed all of the Prior Undertakings and the Disclosure Certificate and familiarized its staff with the Corporation's disclosure requirements and (b) adopted certain policies and procedures with respect to undertakings made pursuant to the Rule.

Corporation as Sole Obligated Person

The Corporation is the sole obligated person for purposes of the Rule with respect to the Series 2026 Bonds. The information set forth above relates only to instances in which the Corporation has failed to comply, in all material respects, with any previous undertakings entered into with respect to the Rule.

MISCELLANEOUS

The references herein to the Act, the Indenture, the Loan Agreement, the Security Documents and other materials are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and, for full and complete statements of such provisions, reference is made to such instruments, documents and other materials, copies of which are on file at the offices of the Authority.

The information contained in this Official Statement has been compiled or prepared from information obtained from the Corporation and official and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The Authority has either provided or reviewed the information under the headings "The Authority," "Legality of Series 2026 Bonds for Investment and Deposit," "State Not Liable on Series 2026 Bonds" and "Corporate Existence of the Authority" as it relates to the Authority and will not be responsible for any other statements or information in this Official Statement.

The attached Appendices are integral parts of this Official Statement and should be read in their entirety together with all of the foregoing information.

The information contained herein has been reviewed by the Corporation and the approval of this Official Statement by officers of the Corporation has been duly authorized by the Corporation.

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The execution and delivery of this Official Statement by the Chairman or other Member and the Executive Director of the Authority have been duly authorized by the Authority.

MARYLAND HEALTH AND HIGHER
EDUCATIONAL FACILITIES AUTHORITY

By: ___________________________________
Arnold Williams
Chairman

By: ___________________________________
Barlow T. Savidge
Executive Director

Approved: ____________, 2026

ST. JOHN'S COLLEGE

By: ________________________________
J. Walter Sterling
President, Annapolis Campus

By: ________________________________
Ally Gontang-Highfield
Chief Financial Officer

APPENDIX A

TABLE OF CONTENTS

INTRODUCTION

St. John's College (the "College" or "St. John's") is a coeducational liberal arts college with no religious affiliation. The graduate and undergraduate curriculum of the College is based on the study of the great works in the humanities and sciences, premised on the belief that inquiry and discussion are at the heart of learning. The College was founded in Annapolis, Maryland, in 1696 and chartered as St. John's College in 1784. The current program of the College (the "Program"), which seeks to realize a classical ideal of liberal education, was instituted in 1937. All classes at the College are discussion classes. The faculty are called tutors rather than professors because their teaching consists not in holding forth in a narrow area of expertise but in guiding discussions, primarily by asking questions.

A second campus dedicated to the same educational vision was established in 1964 in Santa Fe, New Mexico. In 1967, the Santa Fe campus added the College's first graduate program, St. John's Graduate Institute in Liberal Education. Graduate offerings were expanded to the Annapolis campus in 1977.

For the 2024-25 academic year, the College had a total student enrollment of 1,185, with a full-time equivalent ("FTE") enrollment of 1,101. As of June 30, 2026, for the 2025-26 academic year, total student enrollment was 1,036, and FTE enrollment was 964.

The following characteristics are of strategic importance to the College:

Unique Educational Program & Market Niche. The College's distinctive liberal arts curriculum and educational practices have long earned it a highly respected place among American colleges and universities. Its strong commitment to collaborative inquiry and to the study of original texts makes the College a particularly vibrant community of learning. Through close engagement with the works of some of the world's greatest writers and thinkers—from Homer, Plato, and Euclid to Nietzsche, Einstein, and Woolf—students at the College grapple with fundamental questions that confront all human beings. As students participate in lively discussions and immerse themselves into the activity of translating, writing, demonstrating, conducting experiments, and analyzing musical compositions, they learn to speak articulately, read attentively, reason effectively, and think creatively.

The College's Program, with its focus on the "Great Books" and its unified, required curriculum with no majors or departments, and its two campuses attract a certain profile of academically accomplished student who self-selects into the College's community. As a result, the College believes that its undergraduate student acceptance rate, which has averaged over 53% the past five academic years, is artificially high as only particular students apply for admission. The College's dominant presence in its market niche is evidenced by a strong undergraduate yield rate that has averaged 32% over the past five academic years. The College is ranked 84th out of over 200 national liberal arts colleges by *U.S. News & World Report* in its 2026 rankings. Additional hallmarks of the Program include:

- Small classes and labs: 16-17 students per tutorial/lab; 17 to 21 students per seminar
- Low student to faculty ratio, ranked #3 in US News and World Report
- Ranked #2 for most accessible professors (Princeton Review)
- Ranked #5 for happiest students (Princeton Review)

Financial Strength & Fundraising. Over the past five fiscal years, the College has grown its total net assets from $346.9 million in fiscal year 2021 to $458.0 million in fiscal year 2025, an increase of 32%. As of June 30, 2026, the College's endowment funds totaled $404.5 million. Much of the College's balance sheet growth has been the result of significant fundraising success, including the College's capital campaign, the Freeing Minds Campaign, which was completed in 2023. For more information on the Freeing Minds Campaign and other capital campaigns, see "FINANCIAL MATTERS – Development" herein.

Student Quality & Outcomes. The College attracts high caliber students who have a demonstrated track record of success in high school and who will, with a degree from the College, generally excel upon graduating. Over the past five academic years, the College's entering freshmen have recorded an average composite Scholastic Aptitude Test ("SAT") score of 1362 out of 1600.

Strategic Planning Initiatives. In 2024, the College embarked on a strategic vision and planning process to (i) assess strengths, weaknesses, and opportunities in the context of the changing higher education environment and (ii) establish an implementation plan to position the College to remain viable and flourish over the long term. This process began with an internal committee comprising administrators, faculty, and staff from both campuses who worked together to generate ideas, recommendations, and suggestions for further areas of study. In June 2025, a strategic planning task force of the Board was created to advance this planning process to the next stage with a focus on providing data-driven recommendations that will enhance the financial stability of the College, while building on the core strength of the College–the Program. This strategic planning process builds upon the progress the College has made towards achieving its longstanding goals of bolstering enrollment, increasing net tuition, strengthening financial resources, and maintaining the quality of its academic program. *See* Administration's Discussion of Historical Financial Performance for a more detailed description of these initiatives.

HISTORY

King William's School

St. John's traces its origins to King William's School, the Maryland colony's "free" school founded in 1696. The term "free" referred to the College's purpose: to make students free through liberal education, an aim that still holds today. (The College motto is "*Facio liberos ex liberis libris libraque*," meaning "I make free adults out of children by means of books and a balance."). Like schools in the other colonies, King William's School was what was called a grammar or preparatory school—it gave its young charges a solid foundation in learning that would serve them well as citizens of the colony. The King William's School building, a brick structure that also hosted the upper house of the Maryland Assembly, Annapolis social clubs, and the colony's free library, was located near the State House.

The Early Years, 1784–1805

In 1784, the state of Maryland chartered a college it named St. John's, most likely in honor of St. John the Evangelist, a favorite of the Masons and of George Washington. The College's first act was to consolidate with King William's School by merging the governing board, assets, and student body of the preparatory school with those of the new College. The state gave the College the unfinished governor's mansion known as Bladen's Folly, along with four acres in Annapolis. The building was finished by 1789. It housed the classrooms, living quarters for students and their masters, and the library of the College. Known today as McDowell Hall, it is the third oldest academic building in continuous use in the country.

Four of the College's founders signed the Declaration of Independence: William Paca, Charles Carroll of Carrollton, Thomas Stone, and Samuel Chase. Chase and Stone were members of the College's first Board of Visitors and Governors. The richest man in the country at the time, Carroll contributed the largest sum to the founding of the College—200 pounds. As governor, William Paca fixed his signature to the charter, making it law.

The College's charter of 1784 reflects the ideals of the new nation. The charter was most likely written by the Rev. William Smith, one of the founders of the Protestant Episcopal Church in America. Collaborating with Smith were the Rev. John Carroll, a Jesuit, and the Rev. Patrick Allison, who spoke for the Presbyterians and other dissenting sects like the Anabaptists, Methodists, and Quakers. Thus, the charter represents a melding of the ideas of all the state's religions. The charter provides that qualified students were to be admitted "without requiring or enforcing any religious or civil test"—a remarkable proviso, considering the religious battles fought during the colonial era.

John McDowell served as the first "principal" or president of the College. Born in frontier Pennsylvania, he graduated from and taught at the College of Philadelphia (now the University of Pennsylvania), and then in Cambridge on Maryland's eastern shore, where he prepared for the bar. He had practiced law for five years before joining the faculty of the College. The Board recognized that he "suited the American genius" and chose him over any "Gentlemen of Great Character from Europe" to head the College. McDowell proved an able leader and quickly established the College on a stable academic foundation. Early students at the prep school and College included Francis Scott Key, who went on to a distinguished career as an attorney and is most known for authorship of "The Star-Spangled Banner," and George Washington's step-grandson and two nephews. An important center of learning soon after it opened, by 1806, the College had graduated 105 students, including four future state governors, six judges, and 21 members of the Maryland legislature.

The Struggles of a Small College, 1805–1937

During the next 130 years, the College experienced periods of tremendous growth and progress, alternating with periods of stagnation and near bankruptcy. The ups and downs of the College's fortunes began in 1805, when the Maryland legislature withdrew the state financial support promised at the College's founding. Not until the appointment of Hector Humphreys as president in 1831 did the College begin to recover. Humphreys, a dynamo of educational ideas, revamped the curriculum and added modern science to the traditional teaching of classics, mathematics, and moral philosophy. He built Humphreys Hall, Pinkney Hall, and two houses for faculty, Chase-Stone and Paca-Carroll. Enrollment grew to more than 100 students, and the library increased to more than 4,000 volumes.

The College was heavily impacted during the Civil War. Many students left the College to join both the Union and Confederate armies, so there were no funds to pay faculty or to maintain the campus. When the Union Army took over the grounds for a receiving station and barracks, the College was not in a position to protest. The campus served as a way station for Union troops that had been prisoners of the Confederacy. In 1863, when Camp Parole was built outside the City of Annapolis, the medical corps took over the College's buildings, which became known as College Green Hospital.

Northern troops left the College's facilities in poor physical condition, ravaging the library, laboratory equipment, and buildings. The College was paid $4,666 by the government for damages, but the Board had to borrow $11,500 more to make repairs. The College reopened in 1866.

The College adopted a program of compulsory military training for students in 1884. Along with military training, students of this period began to take part in what are today known as extracurricular activities: a campus newspaper began publication, several literary societies were started, and athletics became popular. The curriculum was divided between classics and a new technical course, which stressed practical skills like engineering and mining. Many colleges introduced the elective system during this time, but the College required students to follow a rigid course. The College was floundering financially as well as ideologically. In 20 years, five presidents tried and failed to run the College effectively, and by 1886, enrollment and income were not much more than they had been in 1866.

Thomas Fell, an Englishman, was appointed president in 1886. Fell began such modern tactics as recruiting students and opening a prep school for the United States Naval Academy, which is located adjacent to the College's Annapolis campus. An elaborate curriculum included four courses: Classical, Latin Scientific, Scientific, and Mechanical Engineering. Fell became the first president charged with actual fundraising. He traveled, visiting alumni and friends in Maryland and in other states. With the money Fell raised and an increase in the state's contribution to the College, there was enough money to build Woodward Hall in 1899, Randall Hall in 1903, and a gymnasium in 1910. The cadet corps was still active, and in 1905 it was selected by the War Department as one of the six leading military colleges in the country.

After World War I, the climate in American higher education was changing. By 1923, the College was offering a revised curriculum; military training was abolished and a conventional system of electives established. However, the Depression brought deep financial trouble. The Board had invested heavily in Annapolis real estate during the 1920s, even mortgaging college buildings. When the stock market crashed and their investment opportunities evaporated, there was not enough money to meet operating expenses.

The Program

Rather than close the College, the Board decided on one last desperate measure. They brought in Stringfellow Barr and Scott Buchanan, two academics with revolutionary educational ideas, to completely revamp the curriculum in 1937. Buchanan, who was appointed Dean, thought that the traditional liberal arts could be used as a formal structure for learning; he devised a course of study with original sources–the "Great Books"–as the basis for discussion classes.

Another important feature of his plan was the entwined relationship between disciplines; he proposed a college with a unified, mandatory curriculum and no departments or majors.

Under the leadership of Barr as President and Buchanan as Dean, the College's program of study, now referred to as the "Program" attracted nationwide attention. While the College had previously been mainly a local school, students from across the country applied to study the Program. Although World War II meant low enrollments in the 1940s, by war's end, the popularity of the College was established. Veterans and other students filled the classes, and in 1951, women were admitted. Richard Weigle was appointed President in 1949, serving for 30 years as the College grew into an important presence in American higher education. New dormitories were built, Mellon Hall and Francis Scott Key Auditorium were opened, and enrollment reached historic highs.

In the early 1960s, rather than expand the Annapolis campus, Weigle headed up an effort to build a second campus. A gift of land at the foot of the Sangre de Cristo Mountains in Santa Fe, New Mexico, by John and Faith Meem determined the site of the new campus. Funding was obtained, a group of tutors agreed to transfer west, and the second campus opened in 1964. The Santa Fe campus enabled the College's enrollment to grow to 950 students—475 on each campus—without sacrificing the small classes and close community atmosphere necessary for the Great Books program. The curriculum is identical, enabling students to transfer between the two campuses. The Santa Fe campus continued to expand its physical footprint over the years with the construction of additional dormitories, the Meem Library, and academic facilities.

One bold step followed by years of intensive study and development has brought the College to where it is today. If the College had prospered in the 1800s and survived the economic devastation of the 1920s, its desperate Board would not likely have chosen to institute the Program. Today, through its unique mandatory curriculum based on the reading and discussion of the Great Books, the College continues to educate free citizens, just as its founders hoped it would.

The Graduate Institute

The St. John's College Graduate Institute was founded in 1967 at the Santa Fe campus and now flourishes as well in Annapolis. Both campuses offer a Master of Arts degree in Liberal Arts. In addition, at the Santa Fe campus a Master of Arts in Eastern Classics program was established in 1994 and the Master of Arts in Middle Eastern Classics was established in 2025. Graduate Institute students become lifetime members of the College community and can take part in study groups, formal and informal lectures, and other aspects of the life of the mind that the community cultivates and protects.

GOVERNANCE

The College is governed by a Board of Visitors and Governors (the "Board") established by an Act of the Maryland General Assembly in 1784, which consists of between thirteen and forty members including the Governors of the States of Maryland and New Mexico as *ex officio* members during their respective terms in office.

A Polity for the College was first instituted in 1945 by the College's then-President, Stringfellow Barr, who was responsible for instituting the Program. The Polity is the College's principal governing document, overseen by the Board in consultation with the faculty and subject to periodic review. In 2025, the review process culminated in a re-envisioning of the College's governing documents into three primary and interrelated texts:

- Polity – focused on the College's core shared governing principles;
- Board Bylaws – supplement the Polity by providing additional guidance regarding the governance of the Board; and
- Faculty Constitution – guiding the self-governance of the faculty across both campuses.

The Polity provides for at least two regular meetings of the Board each year, at least one of which must be held on each campus. The last meeting of the fiscal year is called the annual meeting. Special meetings of the Board may be called by the President, the Chair, the Executive Committee or any nine members of the Board by giving written, faxed, or e-mail notice not less than seven days prior to the date set for the meeting.

The Polity provides for the following standing committees of the Board (the "Committees"):

Standing Committees
Executive
Finance
Visiting
Trustee and Governance
Audit and Compliance
Advancement

Below is a list of the current ad hoc committees of the Board:

Ad hoc Committees
Campaign Steering
Deficit Reduction
Enrollment
Facilities
Retention

In addition to the above listed committees, the Chair may appoint such other standing or special committees of the Board as the Chair deems desirable or which the Board may request. Appointments to the Committees are made annually and members of Committees serve until their successors have been appointed.

The Board consists of certain *ex officio* members, including the Governors of Maryland and New Mexico and the Presidents and the Deans of the Annapolis Campus and the Santa Fe Campus and the President of the Alumni Association, and other elected members. Board members (other than *ex officio* members) serve for a term of three years, with terms staggered. A Board member may not serve more than two consecutive terms without extraordinary circumstances. Honorary members of the Board are those who are elected in recognition of their meritorious service or contributions to the College. Individuals who have served five terms on the Board may be elected to the Board as Emeriti members. Honorary members and Emeriti members may attend all regular meetings of the Board and have a voice in deliberation, but without a vote. *Ex officio* members serve by virtue of their office or position; they have a voice in deliberation, may vote, and are vested with the same rights and privileges as full members of the Board. One third of the voting members of the Board shall constitute a quorum for the transaction of business.

The members of the Board, their years of service, their term expirations, and professional affiliations are set forth in the following table.

St. John's College Board of Visitors and Governors

Member	Years Served	Year Term Expires	Professional Affiliation
Martha L. Acosta	5	2027	Speaker, facilitator, and consultant; Author
Derek Alexander	1	2028	Head of Legal for Stifel Financial Corp.'s Institutional Group
Rodino F. Anderson	3	2029	Chief Diversity and Impact Officer at Articulate
Mark Baganz	1	2028	Founder and President of Chesapeake Medical Imaging
Sarah H. Davis, *Ex Officio*	3	N/A	Dean of the College, Santa Fe
Alicia S. Dondo	4	2028	Executive Director at Goldman Sachs
Carla A. Echevarria	3	2029	Senior UX Design Manager at Google
Ron Fielding	28	2027	Past Chair of the St. John's College Board
John L. Gray	11	2028	Former VP of Strategy, JPMorgan Chase
Michelle Lujan Grisham, *Ex Officio*	N/A	N/A	Governor of New Mexico
Richard A. Groenendyke Jr.	16	2028	Partner, Groenendyke & Associates
Joan Haratani	14	2028	Partner, Morgan, Lewis & Bockius LLP

Member	Years Served	Year Term Expires	Professional Affiliation
Brett Heavner, *Ex Officio*	1	N/A	Partner, Finnegan, Henderson, Farabow, Garrett & Dunner, LLP; Alumni Association President
Ginger Kenney*	7	2027	Author, Consultant, Educational Management
Jack L. Kinzie	3	2029	Retired Partner, Baker Botts LLP
Joel I. Klein, *Secretary*	5	2027	VP and Corporate Secretary, IBM
Richard Lincer	7	2027	Senior Counsel, Cleary Gottlieb Steen & Hamilton LLP
Peter Marber	8	2027	Founder of Aperture Investors
Wes Moore, *Ex Officio*	N/A	N/A	Governor of Maryland
Kelsey (Hennegen) Murray*	3	2027	Director of Programs and Operations, Fewshot
Susan Paalman, *Ex Officio*	3	N/A	Dean of the College, Annapolis
Karen Pritzker	7	2029	Secretary/Director, The Jay Pritzker Foundation
Daniel J. Raizen	3	2029	Director, Carol K. Engler Foundation
Zachary B. Rasmuson	4	2028	VP of Operations, Rasmuson Foundation
Andy Reeher	4	2028	Chairman, Reeher LLC
Kenneth S. Resnick	7	2028	Director, Resnick Family Foundation
Josh D. Rogers	11	2027	CEO and Founder of Arete Wealth, Inc.
Pamela R. Saunders-Albin, *Vice Chair*	24	2027	Principal, Saunders Real Estate
Sarah D. Smart	5	2027	Co-Founder of Horizon Human
Warren J. Spector, *Chair*	30	2028	Chairman, Balbec Capital L.P.
J. Walter Sterling, *Ex Officio*	2	N/A	President, St. John's College
Marc Wall	2	2027	Former Diplomat and College Teacher
David Wippman	2	2027	President Emeritus, Hamilton College
George Mashour	< 1	2029	Vice Dean for Faculty, University of Michigan Medical School
Margot Schwartz	< 1	2029	Assistant Principal Second Violin of the Santa Fe Opera Orchestra, New Mexico
Alison Sowden	< 1	2029	Chairman of the Finance Committee for Mount Saint Mary's University, LA
Robert Varnell	< 1	2029	General Counsel, Chief Compliance Officer and Secretary of Lockheed Martin Investment Management Company

*Elected by the Alumni Association.

Emeriti Members

Member	Years Served	Year Term Expires*
Sharon Bishop	32	N/A
Steven Bohlin	15	N/A
Gregory D. Curtis	21	N/A
Stephen L. Feinberg	32	N/A
Stephen J. Forman	20	N/A
Leslie Jump	20	N/A
Perry A. Lerner	22	N/A
Harriet H. Warren	24	N/A
Julie M. Wilkinson	28	N/A
Delores Wolf	17	N/A
Thomas R. Krause	23	N/A

** No expiration date for Emeriti members*

Honorary Members

Member	Years Served	Year Term Expires*
M. Brownell Anderson	28	N/A
Jill Cooper	19	N/A
Anna E. Greenberg	27	N/A
Allan P. Hoffman	31	N/A

** No expiration date for Honorary members*

ADMINISTRATION

The current Polity of the College provides for a President for the Annapolis Campus and a President for the Santa Fe Campus, each appointed by the Board, to whom are delegated by the Board executive responsibility and authority for the instruction, discipline, and governing of their respective campuses. The Campus Presidents are charged with regularly consulting and communicating with each other on matters of common concern in order to maintain and promote the unity of the College. The Polity further provides that one of the Campus Presidents shall be appointed by the Board as the "College President", with the title "President, St. John's College". The College President chairs a cabinet consisting of the Presidents, the Deans, the Chief Financial Officer and other members as the College President may appoint, which Cabinet reviews proposed budgets and meets prior to meetings of the Board to review performance in the fiscal year. The College President does not have executive authority over the instructional matters assigned to the Instruction Committee and its Chair under the Polity. Through the strategic planning process described above, the Board has determined to return to a single presidency for the College, which it will officially implement in the fall of 2026 through revisions to its governing documents. The Board has appointed J. Walter Sterling to assume all three presidential roles while this governance transition progresses to completion.

The College's Presidents and Deans are as follows:

J. Walter Sterling, Interim College President; President, Annapolis; President, Santa Fe. Walter Sterling became President of the Santa Fe campus in July 2024, was appointed interim College President in June 2025, and interim President of the Annapolis campus in June 2026. Prior to becoming President of the Santa Fe campus, Sterling served for nine years as Dean of the Santa Fe campus, where he joined the teaching faculty in 2003. As Dean, he defended St. John's classical and radical model of liberal education while helping to pilot the College through financial restructuring and the $325 million Freeing Minds capital campaign. Sterling chaired the effort to launch a new master's degree in Middle Eastern Classics; the first cohort of students began their studies in fall 2025. He holds a special interest in growing and supporting the international student population at St. John's and in expanding study abroad, internships, and co-curricular offerings. Prior to joining St. John's, Sterling taught at Loyola University Maryland, Temple University, and Gwynedd Mercy University. He has also worked outside academia, supporting mission-driven nonprofits such as Philadelphia's Project HOME, whose mission is to alleviate the underlying causes of poverty and homelessness. Sterling is a member of the board and visiting teaching faculty of the Rome Institute of Liberal Arts and serves on the Academic Council of the Jack Miller Center, a Philadelphia-based educational nonprofit committed to teaching America's founding principles and history.

Susan (Suzy) Paalman, Dean – Annapolis Campus. Suzy came to the College after a thorough education in the life sciences, earning her BA in biology and biochemistry from Rice University and completing her doctoral work in biophysics and biophysical chemistry at the Johns Hopkins University School of Medicine. Paalman was originally appointed to the St. John's faculty in 1997. Paalman has participated in many faculty study groups related to natural philosophy or science, including groups on thermodynamics, Hamiltonian physics, the psychology of embodiment, and ecology and evolution. In all of those groups, she worked to develop an understanding of the roots of the discipline she had studied in her early career. In addition, Paalman participated in the Advanced Laboratory Physics Association (ALPhA)'s Laboratory Immersion experience in quantum optics at Colgate University in June 2016. She has participated in other faculty study groups over the years, focusing on the poetry of John Donne, the philosophy of Heidegger, and Shakespeare's plays, among others. Her great appreciation for the whole Program blossomed as she achieved her goal of teaching every class on the undergraduate Program, including serving as the director of Freshman Chorus for four years (2017-21). Paalman has served in various administrative positions, including as Assistant Dean (2009-13), Dean (2023-2025), Interim President (2025-June 2026), and reinstated as Dean (July 2026).

Sarah Davis, Dean – Santa Fe Campus. Sarah Davis joined the faculty in 2012 and currently supervises the program of instruction on the Santa Fe campus. She received her BA in philosophy and anthropology from Harvard University and her PhD in cultural anthropology from Emory University. Prior to joining the faculty in 2012, she held positions at Time magazine in Paris and American Heritage magazine in New York. Davis is the recipient of the Condon Prize for psychological Anthropology as well as the Marjorie Shostak Prize for Excellence and Humanity in Ethnographic Writing.

CURRICULUM

The Seminar

The curriculum at St. John's is unique among U.S. higher education institutions. The heart of the curriculum is the seminar, a discussion of assigned readings from the Great Books of the Program. Students attend seminars in all four years of study at the College. In each seminar, one or two faculty members work with 17 to 21 students, meeting twice a week for two hours or more. The assignment for each seminar amounts to an average of 80 pages of reading per meeting.

The seminar begins with a question asked by one of the faculty leaders, followed by open student discussion, tempered by the use of formal modes of address. All opinions must be heard and explored, however sharply they may clash, and every opinion must be supported by argument. Reason is the only recognized authority. The aim is always to develop the students' powers of reason and understanding and to help them arrive at intelligent opinions of their own. Every student submits a substantial essay on a question suggested by the seminar readings.

The Preceptorial

For seven to eight weeks at the end of the first semester, seminars of the junior and senior classes are replaced by preceptorials. These are small groups of students engaged in the study of one book, or in exploration of one subject through several books. The preceptorial is the sole elective element in the St. John's curriculum, where a student may focus on a particular book in a particular field. Guided by a tutor, there are not more than 12 students in a preceptorial.

The Tutorial

The tutorials in language, mathematics, and music serve to support the seminar by giving students the opportunity to cultivate the habits of methodical and careful study and of persistently precise discussion and writing. For each of the four years, students attend one language and one mathematics tutorial. Sophomores also attend a music tutorial. All tutorials meet three times a week.

In the language tutorial, the study of foreign languages (Ancient Greek and French) provides the occasion for considering language as the discourse of reason, as the articulation of experience, and as the medium of the art of poetry. Through the intermediary of foreign tongues, students learn—directly and indirectly—about their own language. They discover the resources of articulate speech and learn the rules that must govern it if it is to be clear, consistent, and effective.

In the mathematics tutorial, students examine artfully composed mathematical treatises, demonstrate theorems to one another, and solve problems. By doing this over four years, they learn a good deal of mathematics and gain noticeably in rigor of thought, nimbleness of imagination, and elegance of expression. As mathematics pervades and defines our modern world, the tutorial provides the occasion to examine the assumptions that underlie the diverse applications of mathematics to the natural world.

The music tutorial aims at understanding music through the close study of musical theory and analysis of works of musical literature. Students learn the fundamentals of melody and notation, and practice choral singing. The music tutorial studies two complementary aspects of music: its intimate relation to language, rhetoric, and poetry, and its uniqueness as a self-sufficient art with roots deep in nature.

Tutorials consist of 14 to 17 students working together through translation or demonstration toward a careful analysis of an important work. Writing is assigned regularly in all classes. The students are thus called upon continually to articulate and organize their thinking in both the written and spoken forms.

The Laboratory

Three hundred years ago, algebra and the arts of analytic geometry were introduced into European thought, mainly by René Descartes. This was one of the great intellectual revolutions in recorded history, paralleling and in part determining the other great revolutions in industry, politics, morals, and religion. It has redefined and transformed the natural and cultural world. It is a focal point of the Program and one that the College takes special care to emphasize.

The Program includes three years of laboratory in the natural sciences. Students pursue characteristic and related topics in physics, biology, and chemistry. The art of measurement involves the analytical study of the instruments of observation and measurement. Readings from great works in natural science provide the occasion for students to examine the fundamental assumptions and ramifications in different fields of science. In practice, students reproduce crucial experiments and consider the interplay of hypothesis, theory, and fact. These studies are supported by the mathematics tutorials, which provide the necessary understanding of mathematical techniques.

The task of the laboratory is to make the student experience and understand the significance of science as a human enterprise involving fundamental assumptions and a variety of skills. The College does not subscribe to the sharp separation of scientific studies from the humanities, as if they were distinct and autonomous domains of learning.

A laboratory consists of 14 to 17 students working under the guidance of a tutor, meeting two to three times a week. In all the work of the laboratory, the purpose is to achieve an intimate mixture of critical discussion and empirical inquiry.

The Formal Lecture

The formal lecture on Friday evenings is the occasion when the students have the opportunity to listen steadily and attentively. The lecturers are often visiting scholars, but not infrequently they are members of the College faculty. Visitors may be from the academic world or from the arena of public affairs, or may be artists or poets. The lecture inculcates in students the habit of listening and following the exposition of a subject they may not find familiar, and the question period following the lecture provides them an opportunity to exercise their dialectical skills in a broader setting than the classroom. It is here that they can test the degree of their understanding and the applicability of what they have learned.

St. John’s List of Great Books

The list of books that serves as the core of the curriculum had its beginnings at Columbia College, at the University of Chicago, and at the University of Virginia. Since 1937, it has been under continuous review at the College. More than 2,000 years of intellectual history form the background of the first two years of the Program; about 400 years of history form the background for almost twice as many authors in the last two years.

The first year is devoted to Greek authors and their pioneering understanding of the liberal arts; the second year ranges from the Hebrew Bible, through Middle Ages, to the sixteenth-century origins of modernity; the third year focuses on books of the seventeenth and eighteenth century enlightenment; the fourth year brings the reading into the nineteenth and twentieth centuries. The College’s curriculum seeks to convey to students an understanding of the fundamental problems that human beings face today and have faced throughout human history.

The St. John’s Degree, Bachelor of Arts

The student who completes the four-year curriculum satisfactorily is awarded the degree of Bachelor of Arts. Because of the rigor of the required program, the degree has been recognized recently as equivalent to a triple major in Philosophy, Literature, and the Natural Sciences. Graduating students will begin receiving this new major, Bachelor of Arts in Philosophy, Literature, and the Natural Sciences, in May 2027. On the transcript, the College's seminars, tutorials, and laboratories are translated into terms of conventional subjects. The curriculum is the equivalent of approximately 134 semester hours.

The Graduate Institute in Liberal Education

The Graduate Institute at the College offers a Master of Arts degree in Liberal Arts on both campuses. In addition, a Master of Arts degree in Eastern Classics and a Master of Arts in Middle Eastern Classics are offered on the Santa Fe Campus. These programs, inspired by that of the undergraduate College, have two distinctive features: the curriculum consists exclusively of classics or great books used as texts, and all classes are conducted as small group discussions.

Degree of Master of Arts in Liberal Arts

From Aristotle to Aquinas, Wordsworth to Woolf, Herodotus to Hegel, Montaigne to Morrison, students pursuing the Master of Arts in Liberal Arts explore some of the greatest thinkers of all time. While texts are organized into segments, including history, philosophy & theology, politics & society, mathematics & natural science, and literature, the program is a truly interdisciplinary and coherent academic program that transcends disciplinary boundaries. In small, discussion-based classes, students analyze and explore the timeless texts of the past 3,000 years, providing a common ground for inquiry and conversation. The books studied throughout the program have important things to say about many different aspects of our lives and provide insight into timeless questions of humanity. The readings of the program provide a chain of thoughts that connect the entire program into one comprehensive learning experience. The heart of the curriculum is the seminar in which 14 to 19 students engage in a discussion initiated by a tutor's question about the assigned reading. In the tutorial, a slightly smaller group focuses more intensely on smaller assignments, either mathematical proofs, short literary texts, or dense arguments of philosophy or political theory. The preceptorial engages in the study of a single book or topic and requires that students write a substantial paper.

Degree of Master of Arts in Eastern Classics

The Master of Arts in Middle Eastern Classics (MAMEC) invites a close study of the texts that influenced the Islamic Middle East in the time between the fall of Rome and the European Renaissance, and centers on the great texts and authors of these Jewish and Islamic civilizations, providing students with an unrivaled opportunity to engage with rich literary traditions. The program commences in fall semesters and is offered on campus in Santa Fe.

The program includes a series of seminars, preceptorials, and a language tutorial in either Sanskrit or classical Chinese. In the seminar, 14 to 18 students discuss assigned readings from a wide range of Indian, Chinese, and Japanese texts. In the tutorial, 12 to 15 students study either Sanskrit or Chinese, to gain insight into their structure and to translate selected passages from classical texts. In the preceptorial, 8 to 12 students study a single work or theme for an eight-week period, and each student writes a substantial paper.

Degree of Master of Arts in Middle Eastern Classics

The Master of Arts in Middle Eastern Classics (MAMEC) invites a close study of the texts that influenced the Islamic Middle East in the time between the fall of Rome and the European Renaissance, and centers on the great texts and authors of these Jewish and Islamic civilizations, providing students with an unrivaled opportunity to engage with rich literary traditions.

Huygens Master's Program in Liberal Arts

The program will bring Europe its first Great Books master's program in collaboration with the Pascal Institute (Netherlands). The curriculum, grounded in the works of Plato, Thucydides, Shakespeare, Newton, Tocqueville, and others, encompasses five core domains: philosophy, literature, history, politics and society, and mathematics and natural science. Students select four of the five focus areas, allowing for both breadth and depth. Teaching takes place in small, discussion-based groups designed for concentration, conversation, and reflection.

Students will spend one or two semesters in the Netherlands and can choose to complete their studies at either of St. John's College's campuses in Maryland or New Mexico, or to take courses online.

FACULTY AND STAFF

In fiscal year 2026, the College employed 272 full-time and 88 part-time faculty, administration and staff members. The following table sets forth the number of full-time and tenured faculty for the past five academic years.

Full-Time and Tenured Faculty

	Annapolis Campus		Santa Fe Campus	
Academic Year	Number of Full-time Faculty	Number of Tenured Faculty	Number of Full-time Faculty	Number of Tenured Faculty
2021-22	60	46	40	25
2022-23	51	36	42	25
2023-24	67	46	41	24
2024-25	71	45	38	23
2025-26	59	36	36	22

The College has in place a planning process which serves as a guide for decisions about the need for additional faculty. When new or replacement positions are available, national searches are conducted to identify appropriate individuals. Faculty compensation packages are competitive with other four year undergraduate institutions. An active faculty development program is maintained which provides support for faculty to participate in professional meetings, attend workshops and seminars, and travel to conduct research at specific centers or to search special collections. The College has a standard sabbatical leave program that is funded by the College and which provides replacement faculty while individuals are on leave. Like the students, faculty at each campus have the option to transfer from one campus to the other.

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The following table sets forth the number of full-time and part-time administration and staff members for the past five academic years.

Full-Time and Part-Time Administration and Staff

	Annapolis Campus		Santa Fe Campus	
Academic Year	Number of Full-time Administration and Staff	Number of Part-time Administration and Staff	Number of Full-time Administration and Staff	Number of Part-time Administration and Staff
2021-22	112	12	103	13
2022-23	100	10	105	15
2023-24	87	9	108	10
2024-25	89	18	98	20
2025-26	84	12	93	18

No employees of the College are represented by unions. The College's administration believes its relationship with its employees is strong.

STUDENT ENROLLMENT

For the 2024-25 academic year, the College had a total student enrollment of 1,185 with a FTE enrollment of 1,101. As of June 30, 2026, for the 2025-26 academic year, the total student enrollment was 1,036, and FTE enrollment was 964.

The following table represents enrollment at the Annapolis campus and the distribution of enrollment between full-time and part-time, undergraduate and graduate, and the six-year graduation rates for each entering freshman class over the past five academic years.

Annapolis Enrollment

	2021-22	2022-23	2023-24	2024-25	2025-26
Undergraduate					
Full-Time Headcount	475	458	483	481	455
Part-Time Headcount	4	1	1	5	3
Total Headcount	479	459	484	486	458
Graduate					
Full-Time Headcount	80	50	42	86	44
Part-Time Headcount	51	32	48	88	64
Total Headcount	131	82	90	174	108
Total					
Headcount	610	541	574	660	566
FTE	583	523	531	611	530

	Annapolis Class Cohort Entering in the Fall of:				
	2016	2017	2018	2019	2020*
6-year graduation rate	77%	67%	70%	70%	71%

* *Projected, unaudited figure*

The following table represents enrollment at the Santa Fe campus and the distribution of enrollment between full-time and part-time, undergraduate and graduate, and the six-year graduation rates for each entering freshman class over the past five academic years.

Santa Fe Enrollment

	2021-22	2022-23	2023-24	2024-25	2025-26
Undergraduate					
Full-Time Headcount	410	385	376	384	322
Part-Time Headcount	16	12	16	8	8
Total Headcount	426	397	392	392	330
Graduate					
Full-Time Headcount	83	62	61	64	73
Part-Time Headcount	65	49	58	69	67
Total Headcount	148	111	119	133	140
Total					
Headcount	574	508	511	525	470
FTE	537	480	477	490	434

	Santa Fe Class Cohort Entering in the Fall of:				
	2016	2017	2018	2019	2020*
6-year graduation rate	72%	60%	55%	68%	66%

* *Projected, unaudited figure*

In 2011, the Admissions Office introduced the "Summer Academy" that familiarizes high school students with the distinct character of a St. John's classroom. Attendance in its first year was a combined 66 on both campuses; in 2025, it was nearly 300. Historically, nearly half of Summer Academy attendees apply to the College and over one-quarter enroll.

Fourteen years ago, the College developed merit aid grants in order to raise the yield on admitted students, and the value of these grants are reassessed each year. In 2026, the College strategically reduced merit scholarships among other financial aid strategies in order to increase net tuition revenue.

The College continues to focus on finding ways to help students persist through their education and make the transition to their post-graduate studies and careers. The Visiting Committee of the College's Board of Visitors and Governors placed special emphasis on the issue of retention, and a committee was formed to examine student attrition and retention. The committee has gathered data based on incoming admissions metrics, as well as from students throughout their time at the College, to ensure students are best served through resources and programs meant to retain them through graduation.

One primary area of focus in improving student retention has been the expansion of the role of the Career Development office. The Career Development office hosts events, workshops, alumni panels and networking events, and information sessions to introduce students to a wide variety of summer and post-graduation opportunities and to prepare them for their professional careers. The frequency of these events has increased from a low of 15 during the 2010-11 academic year to 53 in academic year 2025-26.

Now in its 27th year, approximately 65-70 internships are awarded annually to undergraduate students, which supports students financially so that they can use the summer to explore potential career choices and develop professional skills. The Internship Funding Program, made possible through a generous grant from the Hodson Trust and alumni donors, provides a maximum amount of $5,100 to students for otherwise unfunded internships, or they can design their own projects, working directly with mentors in their field. The College is also in its 14th year of the Supplemental Coursework Funding Program, which supports approximately 20 students financially (up to $2,500) in coursework and academic programs not available at the College, and which allows a student to pursue career goals or future graduate study. The College is committed to making funding available for internships and fellowships so that every student in good standing may have this opportunity.

In Santa Fe, the Office of Personal and Professional Development, also known as "OPPD," offers a comprehensive set of career services to Santa Fe students and alumni. These include:

- The TELOS Program: seven regularly scheduled workshops that prepare students for success after graduation.
- Career Pathways Fellowships: generous funding to support Santa Fe students wishing to undertake internships, study abroad or supplemental studies in the summer.
- Preparation for Graduate School: information sessions, skill-building workshops (TELOS—see above), and individual consultation to ensure that students make wise choices about graduate school and submit strong applications.
- Career Conversations: an annual series of conversations with alumni and other experts in a wide variety of professions.
- National Scholarships: support in selecting and applying to top fellowships like the Fulbright Scholars Program, the Beinecke Scholarship, and the Projects for Peace Scholarship.
- Individual Career Coaching: one-on-one appointments with OPPD staff to choose career directions, find internships and jobs, and hone professional skills.

In Annapolis, the Career Development Office works with current students and alumni, providing resources and support for all aspects of the career and job search, from initial exploration through later career changes. In addition to helping with career development and counseling, the office helps students with summer employment and job placement throughout the academic year.

The work of the Career Services office has been supported by the increased engagement of alumni through the efforts of the Alumni Relations office. The two offices sponsor alumni-career events during Homecoming, at alumni chapter events, and other on-campus panel opportunities.

The Career Services Office also incorporates Handshake, an online career development platform used by many national colleges and universities to assist students in securing jobs and internships, while providing necessary resources crucial to their career development.

The College's increased efforts with respect to admissions, communications, career services, alumni engagement, and elsewhere, are motivated in large part by the College's conduct of classes under the Program. In recent years, College faculty members, under the direction of the Deans and the Instruction Committee, and often with financial support from outside foundations, have made significant improvements to the curriculum. For example, to enhance the study of quantum mechanics, several years ago, a grant from the Hodson Trust allowed the College to improve the first semester of senior laboratory. As a result, the College is in a small group of colleges in the U.S. where undergraduate students perform quantum optics experiments in the laboratory, an experience that is more commonly reserved for physics labs at the graduate level. This work has been improved and enhanced in recent years to include performance of another experiment, verification of Bell's Inequality. Under a three-year Mellon Grant, the College has considered the effect of digital media and resources on liberal learning, has amplified digital resources for support of the program, and has made the relationship between computation and thinking a subject of several preceptorials at the graduate and undergraduate level. In the last five years, several tutors and more than one Instruction Committee have asked the question of what more recent books belong in the program. The senior year seminar reading list has been modified accordingly to include more expansive reading of de Tocqueville, Du Bois, and Morrison. Students, tutors, the Deans, and the Instruction Committee are continually examining and discussing the effectiveness of various elements of the Program, and the Presidents and other officers, as well as the Board, are more than ever resolved that liberal education shall not only survive but flourish in the distinct form in which it is pursued at St. John's.

Student Admissions Process

The purpose of the admission process is to determine whether an applicant has the necessary preparation and ability to complete the College's program satisfactorily. The Admissions Committee, composed of several tutors and the Directors of Admissions on the two campuses, regards the application as being a question from the applicant: "Do you think I am ready to profit from the program of studies at St. John's?" Factors considered in the admissions decision are listed below:

- Essays
- Academic records
- Letters of reference
- Interviews (when available)
- Test scores (when available)

The essays are the most important factor in the admissions process. Applicants are required to respond to two prompts about their interest in the College and their reading habits. Applicants have the option of replying to a third prompt if they have more to share with the Admissions Committee. The essays are designed to enable applicants to give a full account of themselves; therefore, there is no word limit. The applicants' own writing can tell the Admissions Committee much more than statistics alone reveal.

All applicants must have a history of academic success to indicate they are capable of succeeding in the College's program of study. The Admissions Committee carefully examines each applicant's academic record to assess curricular rigor and success in previous schools. If available, the Admissions Committee considers the results of standardized tests, which are optional for most applicants. Letters of recommendation from teachers are read for indications that the applicant has the necessary maturity, self-discipline, ability, energy, and initiative.

In order to encourage top applicants, regardless of background, the application is free, and need for financial assistance does not affect admission. The Admissions Committee seeks to enroll students who are the best fit for the College and also add to the community by bringing diverse backgrounds and thoughts. The Admissions Committee does not discriminate on the basis of race, religion, sex or gender, age, color, sexual orientation, gender identity or expression, disability or handicap, or national or ethnic origin of an applicant, or by any other factors unrelated to the work of the College.

The following tables set forth the undergraduate and graduate application, acceptance, and enrollment statistics for the Annapolis campus for each of the past five academic years.

Annapolis Undergraduate Applications and Acceptances

	Entering Fall 2021	Entering Fall 2022	Entering Fall 2023	Entering Fall 2024	Entering Fall 2025
Number of applications	1,001	1,073	1,094	886	792
Number of acceptances	524	466	478	485	465
Acceptance rate	52%	43%	44%	55%	59%
Number of matriculations	141	139	140	127	126
Yield rate	27%	30%	29%	26%	27%

Annapolis Graduate Applications and Acceptances

	Entering 2021-22	Entering 2022-23	Entering 2023-24	Entering 2024-25	Entering 2025-26
Number of applications	95	101	97	77	78
Number of acceptances	63	81	78	71	70
Acceptance rate	66%	80%	80%	92%	90%
Number of matriculations	50	49	63	60	57
Yield rate	79%	60%	81%	85%	81%

Note: Shows entering Fall, Spring, and Summer Terms combined.

The following tables set forth the undergraduate and graduate application, acceptance, and enrollment statistics for the Santa Fe campus for each of the past five academic years.

Santa Fe Undergraduate Applications and Acceptances

	Entering 2021	Entering 2022	Entering 2023	Entering 2024	Entering 2025
Number of applications	506	512	524	440	361
Number of acceptances	298	250	262	253	212
Acceptance rate	59%	49%	50%	58%	59%
Number of matriculations	119	98	103	100	92
Yield rate	40%	39%	39%	40%	43%

Note: Shows entering Fall and Spring combined.

Santa Fe Graduate Applications and Acceptances

	Entering 2021-22	Entering 2022-23	Entering 2023-24	Entering 2024-25	Entering 2025-26
Number of applications	112	113	99	82	104
Number of acceptances	97	85	72	61	90
Acceptance rate	87%	75%	73%	74%	87%
Number of matriculations	61	55	66	53	79
Yield rate	63%	65%	92%	87%	88%

Note: Shows entering Fall, Spring, and Summer Terms combined

In the fall of 2025, the major competitors of the College for applicants were Reed College, the University of Chicago, University of Maryland – College Park, Columbia University, and Bard College. These competitors were determined based on surveys of admitted students who declined admission that asked what school the student chose to attend instead of the College.

The following table sets forth the transfer statistics for the Annapolis and Santa Fe campuses for each of the past five academic years.

Combined Transfers Included in the Freshman Class

	Entering 2021-22	Entering 2022-23	Entering 2023-24	Entering 2024-25	Entering 2025-26
Annapolis Campus	7	7	4	21	12
Santa Fe Campus	17	20	10	11	10
Total	24	27	14	32	22

In the fall of 2025, the College enrolled students from 34 U.S. states and14 countries. The following table shows the residences of the fall 2025 entering freshman class at both the Annapolis and Santa Fe campuses.

Geographic Distribution of Students

States, Territories and Washington D.C.				Countries	
Alabama	1	Missouri	2	Bosnia and Herzegovina	1
Arkansas	1	Montana	3	China	3
Arizona	4	North Carolina	8	Egypt	1
California	9	Nebraska	1	Germany	2
Colorado	10	New Hampshire	1	Ireland	1
Connecticut	3	New Jersey	3	Italy	1
D.C.	3	New Mexico	12	Mongolia	1
Florida	4	New York	9	Philippines	1
Georgia	2	Ohio	6	Poland	1
Idaho	1	Oregon	5	Russia	2
Illinois	3	Pennsylvania	4	Saudi Arabia	1
Indiana	4	Texas	21	Singapore	1
Kansas	2	Virginia	14	South Korea	3
Louisiana	1	Vermont	3	Turkey	2
Massachusetts	4	Washington	5		
Maryland	28	Wyoming	1		
Maine	1				
Michigan	3				

Over the past five academic years, the College's entering freshmen have recorded an average composite Scholastic Aptitude Test ("SAT") score of 1362 out of 1600 for the Annapolis and Santa Fe campuses, 325 points higher than the national average for the entering classes of 2021 through 2025. The test results shown in the following tables are skewed due to the fact that all students are not required to provide standardized test results.

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The table below shows the average SAT, ACT, and high school GPA scores for the last five incoming classes at the Annapolis campus, as well as certain national averages.

Annapolis SAT & ACT Scores and High School GPA

	2021	2022	2023	2024	2025
SAT Critical Thinking	694	699	702	711	713
SAT Math	674	649	663	650	655
Combined SAT Score	1368	1348	1365	1361	1368
National Average	1060	1050	1028	1024	1024
% National Average	129%	128%	133%	133%	134%
ACT Score	30.2	31.0	31.0	30.0	30.0
National Average	20.3	19.8	19.5	19.4	19.9
% National Average	149%	157%	159%	155%	151%
GPA	3.81	3.82	3.68	3.70	3.69

Source: The College, and with regard to the National Averages, the College Board.

The table below shows the average SAT, ACT, and high school GPA scores for the last five incoming classes at the Santa Fe campus, as well as certain national averages.

Santa Fe SAT & ACT Scores and High School GPA

	2021	2022	2023	2024	2025
SAT Critical Thinking	702	708	697	715	715
SAT Math	646	669	639	659	661
Combined SAT Score	1348	1378	1336	1373	1376
National Average	1060	1050	1028	1024	1024
% National Average	127%	131%	130%	134%	134%
ACT Score	27.0	30.0	30.0	31.0	31.0
National Average	20.3	19.8	19.5	19.4	19.9
% National Average	133%	152%	154%	160%	156%
GPA	3.73	3.73	3.64	3.72	3.69

Source: The College, and with regard to the National Averages, the College Board.

Post-Graduation

The College provides a broad education that helps its graduates succeed in diverse careers, from conventional mainstays to cutting-edge innovative fields. The College's graduates thrive in areas like education, business, communication, mathematics, software design, the sciences, health professions, social services, and the arts - often while trailblazing new and creative ways to make an impact. They are leaders, entrepreneurial thinkers and thoughtful problem-solvers in every occupation, including those they invent.

TUITION & FEES

The College meets the costs of its educational programs primarily through tuition, fees, and contributions (including distributions from its endowment based on a Board-approved formula). Tuition and fees are set by the Board. The College had modest tuition and fee increases for the past five academic years. The following table sets forth the base tuition and fees and room and board charged, to undergraduate full-time students averaged between the Annapolis campus and the Santa Fe campus for the past five academic years.

Tuition, Fees, Room & Board: Undergraduate

	2021-22	2022-23	2023-24	2024-25	2025-26
Tuition and Fees	$36,410	$37,500	$39,356	$40,930	$42,570
Room and Board	14,518	14,710	14,950	15,550	16,216
Total	$50,928	$52,210	$54,306	$56,480	$58,786
% Increase of Total	0.9%	2.5%	4.0%	4.0%	4.1%

The following table sets forth the base tuition and fees at the Annapolis campus and the Santa Fe campus charged to graduate full-time students for the past five academic years.

Tuition and Fees: Graduate

	Annapolis Campus Graduate	Santa Fe Campus Graduate (Liberal Arts)	Santa Fe Campus Graduate (Eastern Classics and Middle Eastern Classics*)
Academic Year	Tuition and Fees	Tuition and Fees	Tuition and Fees
2021-22	$19,566	$19,566	$30,186
2022-23	20,162	20,162	31,102
2023-24	21,169	21,169	32,665
2024-25	22,018	22,018	33,972
2025-26	22,907	22,907	35,337

*Middle Eastern Classics enrolled its first cohort in Academic Year 2025-2026.

The average tuition for academic year 2025-26 for those private colleges that the College considers its major competitors for full-time, undergraduate students are shown in the following table.

Comparative Tuition, Fees, Room and Board: 2025–26

	Tuition and Fees	Room and Board	Total
University of Chicago	$ 71,325	$ 25,035	$ 96,360
Columbia University	71,170	20,711	91,698
Reed College	71,460	23,108	94,568
Bard College	68,850	23,350	92,200
University of Maryland College Park	40,253	20,711	60,964
St. John's College (Annapolis)	**42,317**	**16,414**	**58,731**
St. John's College (Santa Fe)	**42,574**	**16,878**	**59,452**

Source: College Board

FINANCIAL AID

The College admits students based on their perceived ability to succeed in college, rather than on their ability to pay. The College attempts to provide educational opportunities for good students with limited financial resources through a combination of grants, loans and work opportunities. Funds for student financial aid are provided from institutional resources, federal and state governments, and private donors, foundations and organizations. The College participates in numerous federal student aid programs including the Federal Supplemental Educational Opportunity Grant Program, the Federal Pell Grant Program, the Federal College Work Study Program and the Federal Family Educational Loan Program. The percentage of students on both campuses receiving institutional financial aid is over 90%.

The table below shows the amount of institutional financial assistance provided to St. John's undergraduate students for the past five academic years, including a projection of the amount of institutional financial assistance for the 2025-26 academic year.

Financial Aid Awards

	2021-22	2022-23	2023-24	2024-25	2025-26*
Total Institutional Aid	$16,395,689	$16,645,904	$18,431,100	$19,265,610	$19,422,125
Aid as % of Tuition & Fees	49.1%	48.8%	50.4%	49.9%	51.5%

** Projected, unaudited figures*

The total student aid received by undergraduate and graduate students attending the Annapolis campus for the past five academic years is set forth in the following table.

Annapolis Total Student Aid

	2021-22	2022-23	2023-24	2024-25	2025-26
College funded grants/scholarships	$8,692,973	$9,390,462	$10,445,394	$10,631,716	$11,153,706
Federal grants(1)	1,110,952	1,011,164	1,067,030	791,483	750,104
State grants	119,506	138,716	128,961	101,166	116,677
Other gift aid(2)	559,803	606,711	689,450	537,009	599,073
Loans(3)	2,916,090	3,218,240	3,275,130	3,174,322	3,119,882
Federal Work-Study	152,098	152,430	140,650	140,650	187,533
Total student aid	$13,551,422	$14,517,723	$15,746,615	$15,376,346	$15,926,975

(1) Includes Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, and other federally funded grant scholarship programs.
(2) Includes scholarships, subsidized, and unsubsidized grants from foundations, civic groups, and other organizations.
(3) Includes Federal Stafford Student Loans, and other student loans.

The total student aid received by undergraduate students attending the Santa Fe campus for the past five academic years is set forth in the following table.

Santa Fe Total Student Aid

	2021-22	2022-23	2023-24	2024-25	2025-26
College funded grants/scholarships	$7,702,716	$7,255,442	$7,985,706	$8,633,894	$8,268,419
Federal grants[1]	651,074	929,485	948,186	876,477	967,349
State grants	12,651	9,473	12,400	15,964	-
Other gift aid[2]	608,265	508,033	479,968	1,181,762	1,395,873
Loans[3]	1,820,400	1,686,046	1,650,651	1,786,880	1,698,524
Federal Work-Study	147,189	147,189	147,189	147,189	130,209
Total student aid	$10,942,295	$10,535,668	$11,224,100	$12,642,166	$12,460,374

(1) Includes Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, and other federally funded grant scholarship programs.
(2) Includes scholarships, subsidized, and unsubsidized grants from foundations, civic groups, and other organizations.
(3) Includes Federal Stafford Student Loans, Federal Perkins Loans, and other student loans.

GEOGRAPHIC AREA AND FACILITIES

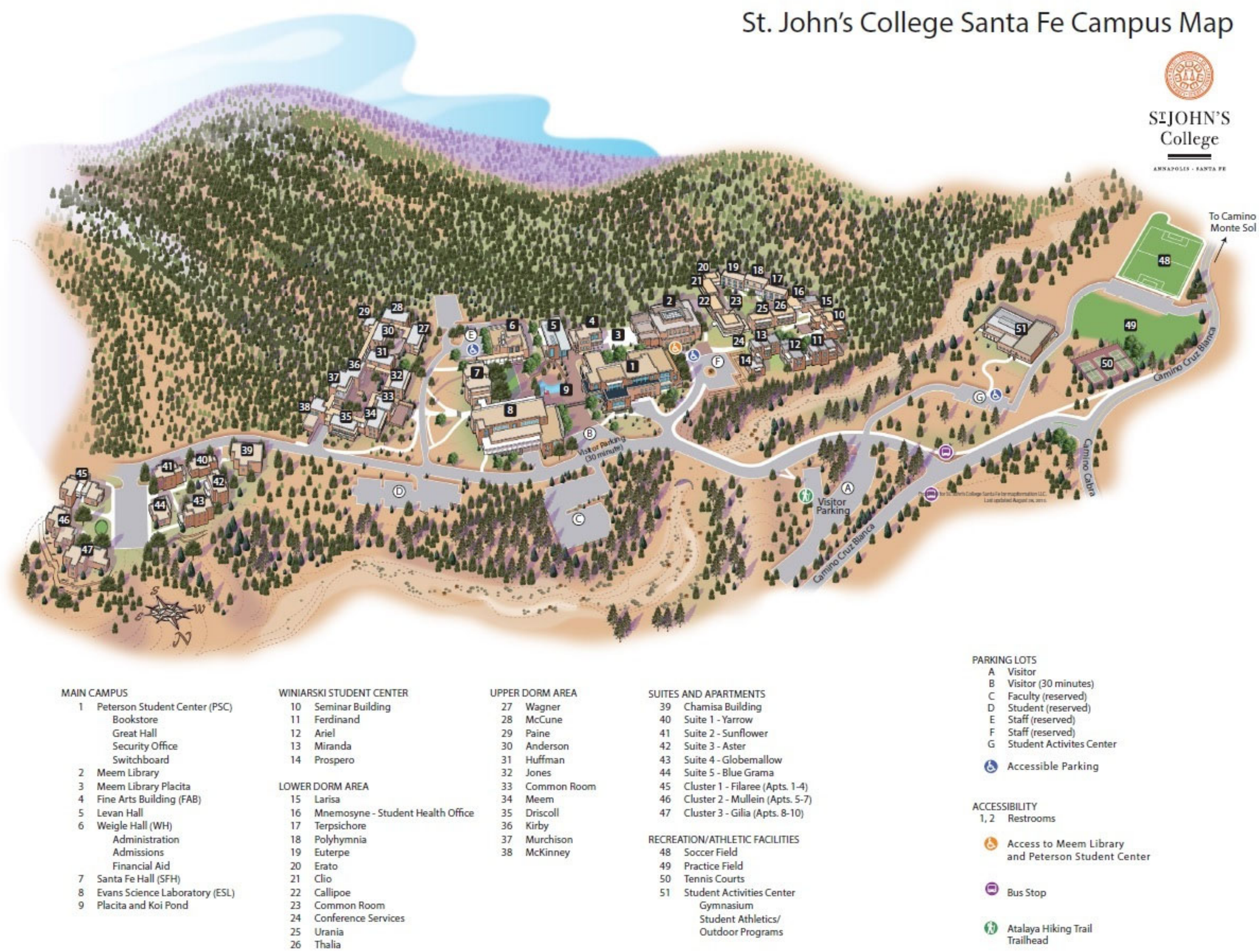
The Annapolis campus is located at 60 College Avenue in Annapolis, Maryland and covers 36 acres. The campus consists of 20 buildings, including the historically significant Reverdy Johnson House (1720), Carroll Barrister House (1722) and McDowell Hall (1742). Mellon Hall (1958) is architecturally significant as one of the few east coast examples of design by Richard Neutra, protégé of Frank Lloyd Wright. Other historic buildings include Humphreys Hall (1837), Chase-Stone House (1857), Paca-Carroll House (1857), Pinkney Hall (1858), Woodward Hall (1899) and Randall Hall (1903). Of the 20 buildings, eight are dormitories, three combine dormitory and other space (bookstore, office, dining hall, security), three combine classroom/lab and other space (office, auditorium, art gallery, coffee shop), and two are administrative. There is also a library, gym, health center, boat house and physical plant/print shop located on the Annapolis campus.

The eight dormitories in Annapolis have a total of 382 beds. The College requires freshmen and sophomores to live on campus.


sjc
St.John
College
BUILDINGS
1 Greenfield Library
2 Paca-Carroll House
3 Humphreys Hall
4 McDowell Hall
5 Pinkney Hall
6 Chase-Stone House
7 Woodward Hall/Barr-Buchanan Center
8 Charles Carroll Barrister House
9 Harrison Health Center
10 Randall Hall
11 Campbell Hall
12 Chancellor Johnson House
13 Mellon Hall/FSK Auditorium
14 McKeldin Planetarium
15 Iglehart Hall
16 Hodson Boathouse
17 Heating Plant
18 Gilliam Hall
19 Spector Hall
20 Hodson House
PARKING
21 Campbell
22 Mellon
23 Gymnasioum
24 Visitor
25 Chase Stone

The Santa Fe campus covers approximately 250 acres and lies in the southeast quadrant of the City of Santa Fe, New Mexico, two miles from the historic Santa Fe Plaza, on the eastern edge of the city. The original buildings on the Santa Fe campus were executed in a modernized version of the Territorial style of architecture. The campus core buildings consist of Pritzker Student Center with 45,693 square feet, Evans Science Laboratory with 37,656 square feet and Santa Fe Hall, a classroom and faculty office building with 12,572 square feet, all of which were built in 1964; Weigle Hall, an administration building with 19,140 square feet, built in 1971; a Fine Arts Building with 10,304 square feet that houses music practice rooms and classrooms built in 1973; and Meem Library, built in 1990 with 26,477 square feet. In addition, there is a Student Activity Center with a 22,549 square foot physical fitness area that was built in 2000.

The College offers 372 beds on the Santa Fe campus, with a four-year housing requirement.



ACCREDITATION AND AFFILIATIONS

The Annapolis campus is accredited by the Middle States Commission on Higher Education, which reaffirmed the accreditation in 2023, effective for a period of eight years.

The Santa Fe campus is accredited by the Higher Learning Commission (HLC), which reaffirmed the accreditation in the academic year 2018-19 and is effective for a period of 10 years.

For information regarding affiliations with other educational institutions, see Administration's Discussion of Historical Financial Performance – Revenue Growth and Diversification.

THE FINANCING

The proceeds of the Series 2026 Bonds will be loaned by the Maryland Health and Higher Educational Facilities Authority to the College for the purposes of:

(1) refunding the Public Finance Authority Revenue Bonds (St. John's College Project), Series 2016 (the "Series 2016 Bonds"), the proceeds of which were used to (a) make certain improvements to its campuses in Annapolis, Maryland and Santa Fe, New Mexico; (b) refund certain revenue bonds; and (c) pay the costs of issuing the Series 2016 Bonds;

(2) financing certain improvements to its campuses in Annapolis, Maryland and Santa Fe, New Mexico; including, but not limited to, (a) the renovation and equipping of the Pritzker Student Center on the Santa Fe Campus; (b) technology infrastructure upgrades on the Santa Fe Campus; (c) general deferred maintenance at the Santa Fe Campus including but not limited to roof repairs, electrical and HVAC upgrades; (d) the design, construction, and equipping of a new academic building on the Annapolis Campus to add ADA accessible classrooms and studios to the campus; and (e) the renovation of residential and academic halls on the Annapolis campus to improve mechanical, electrical, and plumbing systems and improve ADA accessibility; and

(3) paying certain issuance expenses of the Series 2026 Bonds.

FINANCIAL MATTERS

Accounting Matters

The following summaries and discussions of financial matters should be read in conjunction with the financial statements of the College, related notes, and the accountants' reports. The College operates on a fiscal year ending June 30. The financial statements of the College have been prepared on an accrual basis in accordance with generally accepted accounting principles for non-profit educational institutions.

Historical Statement of Activities

The table below summarizes the Unrestricted Statement of Activities of the College for the fiscal years ended June 30, 2023, 2024, and 2025. The information presented in the table has been extracted from the College's audited financial statements for the years reflected.

Summary of Unrestricted Statement of Activities

	Year ended June 30,		
Unrestricted	2023	2024	2025
Revenue and Support			
Contributions	$680,615	$322,929	$1,619,646
Tuition and fees, net	15,068,002	15,818,157	15,835,822
Endowment distribution for operations	11,705,777	11,277,466	14,266,773
Auxiliary enterprises	11,062,651	11,354,099	11,827,650
Federal grants and contracts	1,817,540	1,687,528	2,012,422
Employee retention tax credit	8,085,490	-	-
Other revenue, gains and losses	2,065,181	3,494,563	2,685,778
Endowment distribution from quasi fund - Santa Fe Campus	-	-	5,032,942
State Appropriations	6,768,599	2,024,371	2,260,964
Net assets released from restrictions:			
Satisfaction of time restrictions	681,142	707,761	1,122,487
Satisfaction of program restrictions	5,017,038	5,741,534	21,831,740
Total Revenue and Support	**$62,952,035**	**$52,428,408**	**$78,496,224**
Expenses:			
Instructional	$17,550,059	$18,359,367	$19,892,174
Student services	11,710,912	12,502,309	11,768,985
Auxiliary enterprises	11,409,775	10,566,723	11,648,124
Academic support	3,356,860	3,495,654	3,557,578
Institutional support	11,413,309	12,306,834	13,149,251
Development and fundraising	5,390,301	4,229,687	5,100,846
Total Expenses	**$60,831,216**	**$61,460,574**	**$65,116,958**
Other Activities:			
Change in value of split-interest agreements	$70,962	$87,102	$67,767
Net periodic benefit cost other than service cost	1,456,217	1,690,987	1,550,861
Investment income, net	5,285,402	5,503,533	1,228,352
Postretirement changes other than net periodic benefit cost	(430,523)	(981,579)	(3,156,779)
Change in Net Assets	**$8,502,877**	**($2,732,123)**	**$13,069,467**
Unrestricted Net Assets, Beginning of Year	**$44,480,968**	**$52,983,845**	**$50,251,722**
Unrestricted Net Assets, End of Year	**$52,983,845**	**$50,251,722**	**$63,321,189**

Balance Sheet

The table below summarizes the College's Balance Sheet for the fiscal years ended June 30, 2023, 2024, and 2025. The information presented in the table below has been extracted from the College's audited financial statements for the years reflected.

Summary Balance Sheet

	Year ended June 30,		
	2023	2024	2025
Assets			
Cash and cash equivalents	$11,597,041	$12,047,877	$11,495,073
Restricted cash	620,486	655,547	3,879
Loans and other receivable, net	3,570,424	3,699,192	3,834,386
Employee retention tax credit receivable	8,085,490	-	-
Contributions receivable, net	67,062,275	67,764,764	13,353,073
Prepaid expenses and other assets	3,416,697	3,510,073	3,514,412
Investments	218,823,061	280,149,395	332,731,278
Investment related receivable	3,041,979	3,359,641	2,567,729
Property and equipment, net	105,631,857	123,136,179	141,332,094
Total Assets	**$421,849,310**	**$494,322,668**	**$508,831,924**
Liabilities			
Accounts payable and accrued expenses	$6,379,206	$7,841,643	$4,338,427
Accrued sabbatical leave	4,291,672	4,499,926	4,399,292
Contract liabilities	2,024,378	2,527,268	2,917,322
Refundable government grants	95,769	32,690	-
Annuities and other trust liabilities	1,813,995	1,818,182	1,762,019
Bonds payable, net	28,168,453	27,293,177	26,392,901
Accrued postretirement benefits	9,161,672	8,330,429	9,814,894
Other liabilities	1,618,841	1,298,499	1,158,005
Total Liabilities	**$53,553,986**	**$53,641,814**	**$50,782,860**
Net Assets			
Without donor restrictions	$52,983,845	$50,251,722	$63,321,089
With donor restrictions	315,311,479	390,429,132	394,727,975
Total Net Assets	**$368,295,324**	**$440,680,854**	**$458,049,064**
Total Liabilities and Net Assets	**$421,849,310**	**$494,322,668**	**$508,831,924**

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Operating Budget Projections

The table below summarizes the College's Operating Budget Projections for the fiscal year ending June 30, 2026, which were adopted June 12, 2025. The information presented in the table below has been prepared in-house by the College, is unaudited and is prepared on a cash basis. As of the date of this Official Statement, the College has not finalized its audited financial statements for the year ending June 30, 2026. There can be no assurance that the budgeted information for the period ending June 30, 2026 is indicative of the actual results for the fiscal year ending June 30, 2026.

Operating Budget Projections

	Projections for Fiscal Year Ending June 30, 2026 (in thousands)
Operating Revenues	
Tuition	$36,682
Less: Financial Aid	(22,434)
Net Tuition	14,248
Room and Board	10,474
Total Student-derived Revenue	24,722
Gifts and Grants	-
Federal Grants	1,843
State Grants	1,889
Annual Giving	2,700
Philanthropy (New) / Institutional Reserves / Draws	4,767
Restricted Gifts	3,734
Total Gifts and Grants	14,933
Endowment Spending	
Campus	10,913
College-wide	5,328
Total Endowment Spending	16,241
Other Income	2,487
Total Educational and General	58,383
Auxiliary Income	704
Total Revenues	59,087
Expenditures	
Instruction	19,429
Academic Support	2,869
Student Services	10,549
Institutional	14,611
Debt service	1,569
Bond principal payments	966
Total Educational and General	49,992
Auxiliary Expenditures	9,095
Total Expenditures	59,088
Operating Surplus (Deficit)	($1)

Administration's Discussion of Historical Financial Performance

Over the past several years, the College's management has worked to reduce a multi-year structural operating deficit. Although this deficit was largely covered by philanthropic support, the College realized that annual operating revenues were not sufficient to cover annual operating expenses. Listed below are some of the strategies the college undertook to cut costs and increase and diversify revenue streams.

Meeting Enrollment Targets. As noted previously in the strategic planning initiatives section, long-standing goals of the College have been to increase applications on both campuses, increase enrollment on the Santa Fe campus, and increase net tuition revenue on both campuses. In 2026, in anticipation of the enrollment challenges associated with the demographic cliff that will likely result in a decrease in applications, the College prioritized increasing net tuition revenue by working closely with an outside firm to strategically reduce merit scholarships among other financial aid strategies.

Over the last decade, key new undergraduate recruitment strategies have included: developing regional partner school programs in the southwest and internationally, expanding web-based and social media marketing, revising publications to reflect the college's distinctiveness, offering multilingual virtual tours, growing the Summer Academy feeder program, guaranteeing no tuition payments for families making under $75,000 per year, launching a new Discussion-Based Application platform, harnessing new tools to acquire prospective student contact information based on multi-variable models, offering faculty-led seminars in local high schools, creating a comprehensive email campaign that is targeted based on student interests, launching a new Career Pathways initiative that incorporates dozens of graduate school partnerships and funding for internships, revising the degree name beginning in academic year 2026-27, and more. Some specific markers of success of these strategies include:

- In Fall 2020 (FY21), funded by a ten-year grant, the College implemented student success grants to match Pell Grants. With this funding, the College also implemented a cross-campus extended orientation program to help Pell Grant recipients and underrepresented incoming students transition successfully into the College. Each campus has hosted over 230 incoming students since the inception of this extended orientation in FY2021.

- For academic year 2024-2025, the college had a total undergraduate and graduate FTE count of 1,101 – higher than prior 2 fiscal years (2023 and 2024) and similar to academic year 2020-2021 (first year rebounding post-COVID – notably a high year).

Total institutional aid as a percentage of tuition and fees for FY25, 49.9%, has remained consistent with prior years ranging from 48.8%-50.4% from FY22-FY25. In June 2025, the College debuted a new master of arts program in middle eastern classics on the Santa Fe campus, the first new degree program in more than 30 years. The program debuted with 19 new students in the first fall cohort.

The College seeks incremental, sustained growth in all existing graduate programs. In 2026, the College hired the first Director of Graduate Admissions to bolster this work. Set to launch in September 2026, the College has partnered with the Pascal Institute, located in Leiden, the Netherlands, to offer the Huygens Master's Program in Liberal Arts, Europe's first Great Books master's program. Students will spend one or two semesters in the Netherlands and can choose to complete their studies at either of St. John's College's campuses in Maryland or New Mexico, or to take courses online. The College will be closely watching this new program to determine inflow of international students new to the program.

Revenue Growth and Diversification. The College has expanded partnership programming to offer combined graduate degrees in law and education:

- St. John's partners with the University of Maryland Carey School of Law to allow students to earn a MA and JD within four years. This partnership is open to all students admitted to the Master of Arts in Liberal Arts program at St. John's and the JD program at the University of Maryland Carey School of Law.
- St. John's partners with Notre Dame of Maryland University so students may complete its Liberal Arts Education Certificate (LAEC) program and Notre Dame of Maryland University's Master of Arts in Teaching (MAT) degree.
- St. John's College is proud to welcome Naval officers who, through the GET (Graduate Education plus Teaching) program, obtain a Master's degree at the Graduate Institute before returning to teach at the Naval Academy.

The College has also implemented a new Master of Arts program in Middle Eastern Classics on the Santa Fe campus, the first new degree program in more than 30 years, which debuted in fall 2025 with 19 new graduate students.

The Community and Lifelong Program has provided additional revenue streams, offering courses throughout the year in Annapolis, Santa Fe and online.

The College endowment has grown significantly, and the current market value of investments stand at $404.5 million as of June 30, 2026, which is an increase of 114% over FY2020 investment market value ($189 million). The increase in endowment value has led to significantly higher funding available for endowment draws in support of operations. The College endowment draw for FY2027 will be over $16.2 million, estimated to cover almost 29% of annual operating expenses.

Auxiliary Revenue Maximization. The College continues to review opportunities for maximizing auxiliary revenue. Notably, both campus bookstore locations have undergone recent transformational renovations. The renovations on each campus have increased square footage and added/enhanced space for events (for book signings or readings), which the College expects to help support continued, if not increased, revenue streams from bookstore sales. The Annapolis campus bookstore was relocated to a new ADA accessible space in central campus and is now connected to the campus coffee shop/café. The Santa Fe campus bookstore was renovated to connect to additional student space and is fully integrated with the campus coffee shop, featuring new event space and adjacent patio seating. Residential room pricing continues to be examined annually and the College has adopted tiered pricing strategies to maximize revenue. Some significant renovations have been undertaken on the Annapolis campus to improve living conditions to keep students on campus and upgrades have been underway on the Santa Fe campus to improve life/safety conditions for residential halls as well.

Personnel Expenses. After reducing staff positions in FY17, the College has maintained a relatively consistent number of staff on each campus despite some short-term pandemic related financial pressures with decreased enrollment and students unexpectedly off-campus in FY21 resulting in decreased housing revenues. Significant federal relief funding has helped to ensure the retention of critical operational staff on both campuses through challenging economic periods. The College made some small reductions in staffing in FY26, less than 5%, to adjust for some smaller projected undergraduate counts. Faculty/instruction costs are reviewed annually and aligned with current student counts. The College will continue to review staffing needs to be in alignment with projected FTE counts on each campus.

Other Expenses. Although it has sufficient funding to address operating needs with cash reserves, slightly higher endowment draws, and incoming philanthropy, the College has been working on closing a structural operating deficit. The College continues to review all major contract and expenses for potential savings. For example, in light of rapidly escalating health care costs, the College rebid benefits consulting services and hired a new firm in 2024, which offers higher education specific health care consortia options to defray insurance costs and increased efficiencies with pharmaceutical programs. During annual budgeting processes, departmental budget managers have worked diligently to hold costs flat each year despite external inflationary pressures.

Debt service expense is expected to increase with the issuance of the Series 2026 Bonds, but the College's external debt burden continues to remain at a stable and relatively low percentage compared to many industry peers.

Fundraising. Having successfully completed the Freeing Minds Campaign at $326 million in July 2023, exceeding the original $300 million goal and the $325 million stretch goal, the College has been working to complete a capital improvement campaign with a fundraising goal of $80 million, seeded in part by a generous 10-year $25 million fundraising pledge seeded by the Jay Pritzker Foundation ($50 million matching requirement to unlock $25 million with additional gifts, not eligible for matching, considered toward the goal). The final goal is expected to be met in FY2027 with less than $300,000 remaining to meet the matching requirement. Other successful 'mini-campaigns' underway since FY2020 have provided additional substantial revenue streams: $10 million primarily for faculty salary increases (FY25-FY31); $10 million to provide matching grants for Pell Grant-eligible students; and $12 million for scholarships for Santa Fe campus students (FY27-FY30). With new leadership, in place in the spring of 2026, the Advancement team intends to start a new mini-campaign in FY27 to increase annual giving from $2.7 million to $5 million by year three of the campaign.

Administration's Discussion of Future Financial Performance

Generally. To meet its goal of eliminating its structural deficit, the College's executive leadership and Board members, in consultation with an outside firm, have been involved in thoughtful strategic planning exercises. The discovery process and subsequent planning meetings have been underway since FY2024. Over the next fiscal year (FY2027), College leadership will be preparing a draft of the strategic plan components, along with the projected runway for implementation of the plan. Some initial recommendations made by the Board's strategic planning task force, have been accepted by the Board. These recommendations include: (1) restoration of a unified, single presidency, and (2) refinement of the strategy for renewed incremental growth in tuition revenue (examining tuition rates, pricing/financial aid strategies, and methods to increase enrollment). The Board and College staff have additionally begun planning for an upcoming mini-campaign to further strengthen annual revenue streams by increasing the Annual Fund from $2.7 million to $5 million over several years.

In the upcoming fiscal year, the Board plans to review the draft of a three-year strategic framework, for achieving a structurally balanced budget on each campus. The framework will also have defined targets and monitoring mechanisms, informed by the Task Force analysis and an appropriate sense of urgency, to ensure that necessary progress is being made toward long-term financial and structural sustainability.

In addition to closing the funding gap between annual revenues and expenditures, the College will be working on a plan for covering capital projects needed on each campus. Funding has been identified for the upcoming fiscal years to cover cash needs, and the strategic efforts will help inform the longer-term planning needed to sustain the College and its unique program for many years to come.

Budget Procedures

The budgeting process at the College begins with a preliminary projection for the upcoming fiscal year, presented to the Board at its annual winter meeting in February. Tuition and fees are discussed and approved at the preceding October Board meeting. Prior to presentation to the Board, the College's staff members consider the effect of various rate increases and their overall impact on student enrollment. After the Board's February meeting, the budget for the upcoming year is revised and refined and is again presented to the Board for approval at its June meeting. The budget presented at the June meeting includes enrollment estimates from the Office of Admissions and Registrars.

College Budget

The table below is a summary of the College's budget (in thousands) for the fiscal year ending June 30, 2027, and projection for the fiscal year ending June 30, 2028.

Current Fiscal Year Budget and Following Fiscal Year Budget Projections

	FY27 Budget	FY28 Budget
Revenues		
Tuition	$35,836	$37,270
Less: Financial Aid	(22,465)	(23,364)
Net Tuition	13,371	13,906
Room and Board	9,832	10,225
Total Student-derived Revenue	23,203	24,131
Gifts and Grants	-	-
Federal Grants	1,750	1,750
State Grants	1,839	1,839
Annual Giving	2,700	2,700
Philanthropy (New) / Institutional Reserves / Draws	6,379	5,981
Restricted Gifts	4,133	4,453
Total Gifts and Grants	16,800	16,722
Endowment Spending		
Campus	11,670	11,904
College-wide	5,562	7,049
Total Endowment Spending	17,233	18,952
Other Income	2,050	2,050
Total Educational and General	59,286	61,856
Auxiliary Income	725	725
Total Revenues	60,011	62,581
Expenditures		
Instruction	19,725	20,637
Academic Support	2,908	2,995
Student Services	10,335	10,645
Institutional	13,657	14,065
Debt service	2,825	3,185
Bond principal payments	995	1,200
Total Educational and General	50,445	52,727
Auxiliary Expenditures	9,566	9,853
Total Expenditures	60,011	62,580
Operating Surplus (Deficit)	0	1

Development

The Office of Advancement is responsible for building relationships between the College and its community, including donors, alumni, parents, and other friends of the College, as well as the task of seeking funding to support building projects, endowed funds, and scholarships.

The College has a demonstrated history of significant capital campaign success. A prior comprehensive capital campaign, entitled "With a Clear and Single Purpose", was launched in 2000 and was completed by the end of fiscal year 2008. The goal of the campaign was to raise $125 million to secure the future of the College through significant growth in the College's endowment. The College surpassed its goal by raising $134.2 million during the campaign. Over the life of this campaign, the amount of donations received came from a small concentration of individuals. Specifically, 53% of the contributions came from nine donors.

On July 1, 2016, the College began a $300 million fundraising campaign, entitled "Freeing Minds Campaign, with three goals—stabilizing the College's finances, increasing the endowment and undertaking deferred maintenance, and improving campus infrastructure on both campuses.

On July 10, 2023, the College announced that the Freeing Minds capital campaign had met and exceeded its original $300 million goal as well as the $325 million stretch goal, ultimately raising more than $326 million for the third oldest college in America.

The following table shows philanthropic support by restriction for the last five fiscal years.

Total Philanthropic Support: By Restriction*

	2021	2022	2023	2024	2025
Unrestricted	$188,789	$14,066,190	$680,615	$322,929	$1,619,646
Restricted	7,683,020	4,658,599	6,033,318	11,004,905	13,793,131
Buildings and Equipment	2,243,162	830,010	23,057,647	12,896,871	2,775,364
Endowment	14,123,889	7,157,367	6,000,000	40,657,135	1,088,270
Total	$24,238,860	$26,712,166	$35,771,580	$64,881,840	$19,276,411

* *Unaudited figures*

Endowment Fund

The College's endowment is comprised of both donor-restricted endowment funds and Board-designated funds. The following table presents a breakdown of the endowment fund by restriction over the last five fiscal years.

Endowment Fund By Restriction

	2021	2022	2023	2024	2025
Donor-Restricted					
Temp: Endowment Earnings	$60,580,274	($23,010,078)	$28,660,645	$73,056,060	$25,253,499
Subject to Appropriation	(12,999,702)	(12,491,924)	(13,911,152)	(12,651,321)	(15,913,300)
Permanent Beg of Year	227,799,016	275,379,588	239,877,586	261,914,460	322,782,934
Permanent End of Year	283,938,163	246,868,711	261,914,460	322,782,934	332,123,133
Board-Designated					
Unrestricted	8,558,575	6,991,125	7,287,381	7,751,116	2,819,555
Restricted	275,379,588	239,877,586	254,627,079	315,031,818	329,303,578
Total	$283,938,163	$246,868,711	$261,914,460	$322,782,934	$332,123,133

The portfolio oversight rests with the Investment Committee of the Board, including the selection of external managers and the allocation and choice of investments. The below presents a breakdown of the allocation of the College's investments, which include its endowment and additional reserves, over the last three fiscal years.

Investments: By Asset Allocation (in thousands)

	June 30,		
	2023	2024	2025
Cash and cash equivalents	$6,451,047	$6,116,841	$5,003,964
Common stock and mutual funds	65,025,300	120,638,778	123,969,298
Fixed income mutual funds	20,392,956	38,148,783	-
Hedge funds	29,924,681	31,883,719	32,548,222
Global equity funds	48,740,322	29,471,315	29,013,703
Public equity funds	-	-	90,816,567
Private equity funds	47,183,700	52,700,369	50,146,520
Foundations, trusts, and other	1,105,055	1,189,590	1,233,004
Total Investments	$218,823,061	$280,149,395	$332,731,278

Endowment Spending Policy

The College has adopted an investment policy for its endowment assets that attempts to preserve and enhance the College's real (inflation adjusted) value while providing relatively predictable, stable and constant support to its operations through a spending policy that dovetails with the investment policy, all within acceptable risk parameters. Pursuant to this spending policy, the College determines the amount available for operations each year. The policy provides a blended formula based on a percentage of the prior year's spending amount and market value of endowment funds. Unless otherwise approved by the Board, the annual spending amount in each fiscal year must not be less than 4.5% or more than 5.5% of the fair value of the endowment as of December 31 of the prior year. In October 2024, the Board approved a policy whereby the College may not spend more than 7% of the preceding twelve quarters of the endowment's market value as of December 31 of the prior year and authorized the College to spend 7% for the year ended June 30, 2025, 2026, and 2027 as well, as needed for operations.

The endowment invested assets have notably more than doubled since the end of fiscal year 2020 ($189 million) compared to June 30, 2026, value of $404.5 million.

Outstanding Indebtedness

The following is a summary of the College's bonds outstanding as of June 30, 2025.

1. Maryland Health and Higher Educational Facilities Authority Revenue Bonds (St. John's College Issue Series 2020). Interest rates from 3.00% to 4.00% until October 1, 2040. As of June 30, 2025, $6,790,000 of the Series 2020 Bonds were outstanding.

2. Public Finance Authority Revenue Bond (St. John's College Project) Series 2016 Interest rates from 2.00% to 5.00% until October 1, 2026, and thereafter at the rate or rates determined by the remarketing agent or otherwise in accordance with the indenture under which the Series 2016 Bonds were issued, and final maturity of October 1, 2045. As of June 30, 2025, $20,275,000 of the Series 2016 Bonds were outstanding. All of the outstanding Series 2016 Bonds will be refunded with the proceeds of the Series 2026 Bonds.

The College maintains an unsecured revolving line of credit for the Annapolis Campus with a bank totaling $4,000,000, which expires May 1, 2027. Interest is payable monthly based on the daily Wall Street Journal Prime Rate minus 0.75%. There were no amounts outstanding under this line of credit as of June 30, 2025. The College also has an unsecured revolving line of credit for the Santa Fe Campus with a bank totaling $3,000,000, which expires November 1, 2026. The line of credit bears interest at the bank's Prime Rate minus 0.75%. There were no amounts outstanding under this line of credit as of June 30, 2025. See also "**FINANCIAL MATTERS**" above and the notes to the College's audited financial statements in Appendix B for further discussion of the College's outstanding debt as of June 30, 2025.

RETIREMENT PROGRAM AND POST-RETIREMENT BENEFITS

The College provides two defined contribution retirement plans; one for faculty members and certain administrative staff and one for non-faculty employees. Contributions are made to the faculty plan by the College at a rate of 6.1% to 13.5% of annual salary and are applied to annuity accounts owned by each participant. Contributions are made to the staff plan by the College at a rate of 4% of annual salary, after eligible employees reach two years of service, and are applied to annuity accounts owned by each participant. In addition, the College will match up to 2% of an employee's contribution after the staff employee has worked for the College for 90 days. Supplemental retirement annuities ("SRAs") are available for individual staff and faculty. SRAs are tax deferred and are available through monthly or bi-weekly salary reductions. Eligible employees are able to make post-tax contributions to a Roth account as well.

The College provides certain post-retirement medical insurance benefits to eligible employees upon retirement. An eligible employee is defined as: (a) an individual who has retired upon or after attaining the age 65 and after completing at least 10 years of service, or (b) an individual who has retired after completing at least 30 years of service and after attaining the early retirement age set forth in the qualified retirement plan. Employees hired after September 1, 2015, are not eligible for the post-retirement medical insurance benefit. The College has recognized an unfunded liability of $9,814,894 for its postretirement benefit obligations. For more information on the College's postretirement benefit obligations, see the notes to the Financial Statements of the College appended to the Official Statement.

INSURANCE

The College currently carries the following insurance coverages: comprehensive general liability that includes coverage for property damage and bodily injury claims; umbrella liability protection; business automobile insurance; a workers' compensation and employer's liability policy, including all-risk coverage for flood and earthquake for the College's facilities and contents; business income coverage for loss of dormitory income; exhibition art coverage; comprehensive boiler and machinery coverage; and trustee liability insurance. The maximum coverage for property damage for the Santa Fe campus has been limited to $50 million per occurrence due to the threat of wildfires, which has caused property insurers to limit coverage throughout the region. The College has proactively undertaken fire mitigation efforts across the campus, including daily inspections of perimeter areas to remove brush, upgrading residential fire alarm systems, and incorporating full sprinkler capabilities for the Pritzker Center, the largest building on the campus. The College self-insures medical coverage for its employees with plans on each campus. and purchased stop-loss insurance on both the individual and plan level for large medical claims. Individual and aggregate stop loss limits on such claims are $160,000 and $6.6 million, respectively. The College maintains a reserve fund to cover claims incurred but not billed as of fiscal year end and to cover unexpected overages in annually budgeted costs. As of June 30, 2025, that amount was recorded as $1 million. The College believes that its current insurance coverage is adequate as to amount and type and conforms to the standard for the industry. The College annually reviews its insurance coverage to determine adequate coverage.

INFORMATION TECHNOLOGY SECURITY

The College has robust cybersecurity measures. The College has engaged an outside vendor to monitor firewall activity and manage security issues on a 24 hour 7 days a week basis. Multi-factor authentication is required of users. Periodic training efforts have been implemented to train faculty, staff and students. We also have engaged further resources (Microsoft 365 advisor and cybersecurity advisor) to augment internal controls. A cloud-based backup system preserves institutional data. The College also carries cyber insurance. The College is not aware of any breaches involving data loss that have occurred to date.

LITIGATION

The College is not aware of any litigation pending or threatened in which an unfavorable decision could reasonably be expected to adversely affect the financial condition or operations of the College.

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APPENDIX B

ST. JOHN'S COLLEGE

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024)

ST. JOHN'S COLLEGE

CONTENTS

CBIZ CPAs P.C.

1899 L Street, NW
Suite 850
Washington, DC 20036

P: 202.227.4000

Independent Auditors' Report

The Board of Visitors and Governors of
St. John's College

Opinion

We have audited the financial statements of St. John's College (the "College"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of campus balance sheets and campus activities for the year ended June 30, 2025 on pages 34-35 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matter

Report on Summarized Comparative Information

The financial statements of the College as of and for the year ended June 30, 2024, were audited by Marcum LLP, whose report dated December 4, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CBIZ CPAs P.C.

Washington, DC
December 15, 2025

ST. JOHN'S COLLEGE

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)

	2025	2024
Assets		
Cash and cash equivalents	$ 11,495,073	$ 12,047,877
Restricted cash	3,879	655,547
Loans and other receivables, net of allowance for credit losses of $554,884	3,834,386	3,699,192
Contributions receivable, net	13,353,073	67,764,764
Prepaid expenses and other assets	3,514,412	3,510,073
Investments	332,731,278	280,149,395
Investment related receivable	2,567,729	3,359,641
Property and equipment, net	141,332,094	123,136,179
Total Assets	$ 508,831,924	$ 494,322,668
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 4,338,427	$ 7,841,643
Accrued sabbatical leave	4,399,292	4,499,926
Contract liabilities	2,917,322	2,527,268
Refundable government grants	--	32,690
Annuities and other trust liabilities	1,762,019	1,818,182
Bonds payable, net	26,392,901	27,293,177
Accrued postretirement benefits	9,814,894	8,330,429
Other liabilities	1,158,005	1,298,499
Total Liabilities	50,782,860	53,641,814
Net Assets		
Without donor restrictions	63,321,089	50,251,722
With donor restrictions	394,727,975	390,429,132
Total Net Assets	458,049,064	440,680,854
Total Liabilities and Net Assets	$ 508,831,924	$ 494,322,668

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S COLLEGE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	2024 Total
Revenue and Support				
Contributions	$ 1,619,646	$ 17,656,765	$ 19,276,411	$ 64,881,840
Tuition and fees, net	15,835,822	--	15,835,822	15,818,157
Endowment distribution for operations	14,266,773	64,686	14,331,459	11,344,286
Auxiliary enterprises	11,827,650	--	11,827,650	11,354,099
Federal grants and contracts	2,012,422	--	2,012,422	1,687,528
Other revenue, gains and losses	2,685,778	251,746	2,937,524	3,709,547
Endowment distribution from quasi fund - Santa Fe Campus	5,032,942	--	5,032,942	--
State appropriations	2,260,864	--	2,260,864	2,024,371
Net assets released from restrictions:				
Satisfaction of time restrictions	1,122,487	(1,122,487)	--	--
Satisfaction of program restrictions	21,831,740	(21,831,740)	--	--
Total Revenue and Support	78,496,124	(4,981,030)	73,515,094	110,819,828
Expenses				
Program Services				
Instructional	19,892,174	--	19,892,174	18,359,367
Student services	11,768,985	--	11,768,985	12,502,309
Auxiliary enterprises	11,648,124	--	11,648,124	10,566,723
Academic support	3,557,578	--	3,557,578	3,495,654
Total Program Services	46,866,861	--	46,866,861	44,924,053
Supporting Services				
Institutional support	13,149,251	--	13,149,251	12,306,834
Development and fundraising	5,100,846	--	5,100,846	4,229,687
Total Supporting Services	18,250,097	--	18,250,097	16,536,521
Total Expenses	65,116,958	--	65,116,958	61,460,574
Change in Net Assets Before Other Activities	13,379,166	(4,981,030)	8,398,136	49,359,254
Other Activities				
Change in value of split-interest agreements	67,767	451,105	518,872	1,556,909
Net periodic benefit cost other than service cost	1,550,861	--	1,550,861	1,690,987
Investment income, net in excess of endowment distribution for operations, net	1,228,352	8,828,768	10,057,120	20,759,959
Postretirement changes other than net periodic benefit cost	(3,156,779)	--	(3,156,779)	(981,579)
Change in Net Assets	13,069,367	4,298,843	17,368,210	72,385,530
Net Assets, Beginning of Year	50,251,722	390,429,132	440,680,854	368,295,324
Net Assets, End of Year	$ 63,321,089	$ 394,727,975	$ 458,049,064	$ 440,680,854

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 17,368,210	$ 72,385,530
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Allowance for bad debts	(33,713)	37,284
Change in discount on contributions receivable	(565,903)	(238,748)
Contributions restricted for long-term purposes, plant and endowment	(50,844,193)	(45,272,809)
Contributed partnership investment	--	(5,436,668)
Net realized and unrealized gain on investments	(14,970,919)	(31,695,695)
Change in value of annuities and other trust agreements	217,271	272,702
Depreciation and amortization	5,896,324	5,078,792
Amortization of bond issue costs	21,278	21,278
Amortization of bond discount	27,748	27,748
Amortization of bond premium	(19,302)	(19,302)
Change in asset retirement obligation (other liabilities)	(140,494)	(320,342)
Postretirement changes other than net periodic benefit cost	3,156,779	981,579
Changes in assets and liabilities:		
Loans and other receivable	(253,433)	(372,525)
Employee retention tax credit receivable	--	8,085,490
Contributions receivable	54,977,594	(463,741)
Prepaid expenses and other assets	(4,339)	(93,376)
Investment related receivable	791,912	(317,662)
Accounts payable and accrued expenses	(4,584,885)	(2,642,786)
Accrued sabbatical leave	(100,634)	208,254
Contract liabilities	390,054	502,890
Refundable government grants	(32,690)	(63,078)
Accrued postretirement benefits	(1,672,314)	(1,812,822)
Net Cash Provided by (Used in) Operating Activities	9,624,351	(1,148,007)
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	32,943,992	16,855,851
Purchases of investments	(71,667,833)	(41,384,029)
Purchases of property and equipment	(23,010,570)	(18,477,891)
Loans disbursed	(217,998)	(232,999)
Principal repayment of loans	369,950	439,472
Net Cash Used in Investing Activities	(61,582,459)	(42,799,596)
Cash Flows From Financing Activities		
Contributions received restricted for long-term purposes, plant and endowment	50,844,193	45,272,809
Principal repayments of bonds payable	(930,000)	(905,000)
Payments on annuities	(273,434)	(268,515)
Net Cash Provided by Financing Activities	49,640,759	44,099,294

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S COLLEGE

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)

	2025	2024
Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	$ (2,317,349)	$ 151,691
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	18,820,265	18,668,574
Cash, Cash Equivalents and Restricted Cash, End of Year	$ 16,502,916	$ 18,820,265
Cash and Cash Equivalents Reported on the Statement of Financial Position		
Cash and cash equivalents	$ 11,495,073	$ 12,047,877
Restricted cash	3,879	655,547
Cash and cash equivalents held within investments	5,003,964	6,116,841
Total Cash, Cash Equivalents and Restricted Cash	$ 16,502,916	$ 18,820,265
Supplemental Cash Flow Information		
Noncash Investing Activities		
Purchases of property and equipment still payable	$ 1,081,669	$ 4,105,223
Contributed partnership investments	--	5,436,668
Investment related receivable	(2,567,729)	(3,359,641)
Total Noncash Investing Activities	$ (1,486,060)	$ 6,182,250
Cash payments during the year for interest (net of capitalized interest of $0 in 2025 and 2024)	$ 1,188,862	$ 971,840

The accompanying notes are an integral part of these financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

St. John's College (the College) is a not-for-profit private college established under the laws of the State of Maryland, and consists of the Annapolis, Maryland Campus (Annapolis) and the Santa Fe, New Mexico Campus (Santa Fe) (collectively, the Campuses) and the College Fund. The Campuses and the College Fund share a common governing board, the Board of Visitors and Governors (the Board). The College Fund is not a legal entity, but rather an internal fund created by the College to account for assets contributed by donors, not specifically designated for either Annapolis or Santa Fe, but designated for the benefit of both Campuses equally.

BASIS OF PRESENTATION

The financial statements of the College have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net assets and the changes in net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the College at the discretion of the College's management and the Board, including amounts designated by the Board to act as quasi-endowments.

Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of the College or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity, with the earnings used for purposes designated by the donor.

Revenue and support are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Net realized and unrealized gains and losses on investments are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations. Expirations of donor restrictions recognized on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with restrictions to net assets without. Donor restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are placed into service.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenue and expenses recognized during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments purchased with maturities of three months or less. At various times during the year, the College maintained cash balances in excess of the federally insured limit.

RESTRICTED CASH

Restricted cash consists of debt service reserves from the 2020 bond issuance. These funds are invested in short-term, highly liquid securities.

LOANS RECEIVABLE

Loans receivable are reported at their face value, less an allowance for credit losses and consist of U.S. government revolving student loans, institutional student loans and faculty home loans. Funds provided by the U.S. government under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collection. Such funds are ultimately refundable to the government and are reported as refundable government grants. Loans receivable under the Federal Perkins Loan Program are subject to government regulations. The Federal Perkins Loan Program ended during fiscal year 2018 and the College is making the required repayments to the government. The repayment terms and interest rate of the institutional student loans vary. Subsequent to year-end, the College began the process of liquidating and closing out its Federal Perkins Loan Program fund.

Faculty home loans consist of mortgage loans which bear interest at the applicable federal rate (at the time of issuance) and are secured by the residential real estate for which the loans were made.

At each statement of financial position date, the College recognizes an expected allowance for credit losses. At each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LOANS RECEIVABLE (CONTINUED)

The allowance estimate is derived from a review of the College's historical losses based on the loss rate method. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors determined relevant by the College. The College believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the College's loans have remained constant since the College's inception.

The College writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from accounts previously written off, they will be recognized in income or offset to credit loss expense in the year of recovery, in accordance with the College's accounting policy election. The College had no write-offs during the year ended June 30, 2025.

CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional contributions from foundations and individuals. Unconditional contributions are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted rates applicable in the years in which those promises are received. Contributions receivable is reviewed for collectability, and a provision for doubtful contributions receivable is recorded based on management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

INVESTMENTS

Investments include cash and cash equivalents, common stock and equity mutual funds, all with readily determinable fair values recorded at fair value based upon quoted market prices, and charitable remainder trusts whose fair value is based on unobservable inputs. Investments also include various global equity, hedge private equity and public equity funds (alternative investments) which are stated at fair value based on the fund's or partnership's reported net asset value (NAV) per share or its equivalent as a practical expedient for fair value. These estimated fair values, which are reviewed and evaluated by the College and its external resources, may differ from values that would have been used had a ready market existed for these investments and the differences could be significant.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS (CONTINUED)

The College has no plans or intentions to sell alternative investments at amounts different from NAV as of June 30, 2025. Net realized and unrealized gains and losses on investments are reflected in the accompanying statement of activities. Investment transactions are accounted for on a trade-date basis.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, if purchased, or at fair value at date of gift, if donated. Additions or improvements that extend the useful life of existing facilities are capitalized. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	5-50 years
Equipment and furnishing	5-15 years

Repairs and maintenance costs are expensed as incurred. Long-lived assets and certain intangibles are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When such events or changes in circumstances indicate that an asset may not be recoverable, an impairment loss is recognized in an amount by which the asset's net carrying value exceeds its estimated fair value.

SABBATICAL LEAVE

Sabbatical leave is available to both tenured and nontenured faculty upon completion of a minimum service period and is accrued as it is earned. Sabbatical leave is included in instructional expense on the accompanying statement of activities.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ANNUITIES AND OTHER TRUST LIABILITIES

Annuities and other trust liabilities represent split-interest agreements, consisting of irrevocable charitable remainder trusts and gift annuities for which the College is the trustee. Assets held under these agreements are included in investments. The College's interest in split-interest agreements is reported as a contribution in the fiscal year in which it is received and is calculated as the difference between the fair value of the assets contributed and the estimated liability to the beneficiary. The split-interest agreements are adjusted during the term of the trusts for changes in the value of assets and other changes in the estimates of future benefits, and such changes are recognized as other activities in the accompanying statement of activities.

TUITION, FEES AND FINANCIAL AID

Tuition and fees consist of amounts earned related to credit-granting courses and programs, net of scholarships and financial aid. The College recognizes revenue from student tuition and fees ratably over the semester in which the related courses and programs are delivered. Student tuition and fees received in advance of services rendered are recorded as contract liabilities in the accompanying statement of financial position. Because the College's fiscal year coincides with the academic year, student receivables related to tuition and fees are generally de minimis at year-end. Tuition and fees revenue is billed at published rates established by the Board on an annual basis. Payment is due before the start of each academic semester.

The College provides financial aid to eligible students, generally, in a "package" that includes loans, compensation under work-study programs, and/or grant and scholarship awards. The loans are provided partially through programs of the United States government (including direct and guaranteed loan programs) under which the College is required to only perform certain administrative functions. Grants and scholarships include awards provided through gifts and grants from private donors or from income earned on endowment funds restricted for student aid, as well as general fund scholarship awards. For the year ended June 30, 2025, financial aid including grant and scholarship awards totaled $22,769,471 and is netted against tuition and fees revenue on the accompanying statement of activities.

The College's refund policy allows for an 80% refund if withdrawal occurs within the first 21 days of the semester. After 21 days, no refunds will be issued. As of June 30, 2025, no variable refund liability exists and tuition revenue has been reported net of refunds granted.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TUITION, FEES AND FINANCIAL AID (CONTINUED)

The College has measured revenue for tuition and fees using the portfolio of contracts practical expedient, having determined that measuring revenue for the individual contracts within the portfolio would not differ significantly.

Federal student financial aid programs (including Federal grant and work-study programs) funded approximately 12% of net tuition and student fees revenue during the year ended June 30, 2025.

CONTRIBUTIONS

Unconditional contributions, including unconditional promises to give, are recognized as revenue and support in the appropriate category of net assets in the reporting period in which they are received. Unconditional promises to give are recognized initially at fair value giving consideration to anticipated future cash receipts and discounting such amounts at a risk-adjusted rate. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement is are overcome. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Amortization of the discount is recorded as additional contribution revenue. Where considered necessary, an allowance is made for estimated uncollectible contributions based on management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors. Changes in the nature of any restrictions on contributions due to amendments to or clarifications of agreements with donors are recognized as reclassifications of net assets in the reporting period in which the amendments or clarifications are approved.

AUXILIARY ENTERPRISES

Auxiliary enterprises consist primarily of revenue received from students for housing charges, meal plans, bookstore operations, and other goods and services. Fees charged are directly related to the costs of goods provided or services rendered and are recognized accordingly.

Housing and meal plan revenue is billed at published rates established by the Board on an annual basis and recorded as revenue throughout the year as the related services are rendered. Payments are due before the start of each academic semester or paid throughout the semester with enrollment in an approved payment plan.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AUXILIARY ENTERPRISES (CONTINUED)

The College's refund policy allows for an 80% refund for housing and meal plan fees if withdrawal occurs within the first 21 days of the semester. After 21 days, no refunds will be issued. As of June 30, 2025, no variable refund liability exists and auxiliary revenue has been reported net of refunds granted. Housing and meal plan revenue accounted for 89% of total auxiliary enterprises revenue for the fiscal year ended June 30, 2025.

The performance obligation for certain other auxiliary enterprises, including parking and bookstore operations, is satisfied at the time goods or services are received (point of sale) and are recognized at the time of purchase.

No significant discounts are provided by the College for auxiliary enterprises. Amounts received in advance of services to be rendered are recorded as contract liabilities in the accompanying statement of financial position. Because the College's fiscal year coincides with the academic year, accounts receivable related to auxiliary enterprises are de minimis at year-end. The College has measured revenue using the portfolio of contracts practical expedient for housing and meal plans, having determined that measuring revenue to the individual contracts within each portfolio would not differ significantly.

FEDERAL GRANTS AND CONTRACTS AND STATE APPROPRIATIONS

The College considers the majority of its grants and contracts from governmental sources to be conditional contributions. Amounts received conditionally in advance are categorized as refundable government grants on the accompanying statement of financial position.

OTHER REVENUE

Other revenue principally relates to summer programs, health services, events and revolving loan fund activity and is recognized at the point in time the service is provided.

FUNCTIONAL EXPENSES

The costs of providing programs and supporting services have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs related to the operation and maintenance of the physical plant, including depreciation, are allocated to program and supporting activities based upon square footage of facilities. Interest on debt is recorded in institutional support and auxiliary enterprises.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OTHER ACTIVITIES

Other activities include changes in the value of split-interest agreements, net periodic benefit income (cost) other than service cost, investment gains and losses in excess of endowment distributions for operations, and other postretirement changes.

NOTE 2 - LOANS AND OTHER RECEIVABLES

Loans and other receivables consisted of the following as of June 30, 2025:

Institutional student loans	$ 3,223,242
Life insurance	710,705
Federal Perkins loan program	178,562
Student and other receivables	216,122
Faculty home loans	60,639
Total Loans and Other Receivables	4,389,270
Less: Allowance credit losses	(554,884)
Loans and Other Receivables, Net	$ 3,834,386

NOTE 3 - CONTRIBUTIONS RECEIVABLE

Contributions receivable were due as follows as of June 30, 2025:

Less than one year	$ 3,358,551
One year to five years	10,864,971
Total Contributions Receivable	14,223,522
Less: Unamortized discount (average discount rate of 3.75%)	(870,449)
Contributions Receivable, Net	$ 13,353,073

Management closely monitors outstanding balances and has determined that the outstanding contributions receivable as of June 30, 2025, are fully collectible.

NOTE 3 - CONTRIBUTIONS RECEIVABLE (CONTINUED)

In 2022, the College received a conditional matching gift from a family foundation in the amount of $22,500,000. At July 1, 2024, $15,000,000 remained conditional. During the year ended June 30, 2025, the College recognized $2,500,000 related to the conditional gift and $12,500,000 remained conditional as of the end of the year. Additionally, during the year ended June 30, 2024, the College received a gift estimated at $25,000,000 from a family foundation conditional upon the death of the foundation's namesake and the completion of the administration of the estate. The contribution remained fully conditional at June 30, 2025. The College has also conditionally been named as the beneficiary in various bequests and trusts. These conditional promises to give will not be recognized until the barriers are overcome.

NOTE 4 - INVESTMENTS

The College's investments consisted of the following as of June 30, 2024:

Global equity funds	$ 29,013,703
Hedge funds	32,548,222
Private equity funds	50,146,520
Public equity funds	90,816,567
Common stock and equity mutual funds	123,969,298
Cash and cash equivalents	5,003,964
Charitable remainder trusts	1,233,004
Total Investments	$ 332,731,278

Investment income is reported in the accompanying statement of activities as endowment distributions for operations and investment gains in excess of endowment distributions for operations.

NOTE 5 - FAIR VALUE MEASUREMENT

The fair value of the College's financial instruments is determined based on the amount that would be received if an asset were sold or that would be paid to transfer a liability, in each case in an orderly transaction between market participants at the measurement date assuming the transaction occurs in the asset's principal (or most advantageous) market. Those fair value measurements maximize the use of observable inputs.

NOTE 5 - FAIR VALUE MEASUREMENT (CONTINUED)

The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the College has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and significant to the fair value measurement.

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy as of June 30, 2025:

	Level 1	Level 2	Level 3	Investments at NAV[1]	Fair Value
Financial assets:					
Investments:					
Global equity funds	$ --	$ --	$ --	$ 29,013,703	$ 29,013,703
Hedge funds	--	--	--	32,548,222	32,548,222
Private equity funds	--	--	--	50,146,520	50,146,520
Public equity funds	--	--	--	90,816,567	90,816,567
Common stock and equity mutual funds	123,969,298	--	--	--	123,969,298
Charitable remainder trusts	--	--	1,233,004	--	1,233,004
Total Financial Assets	$ 123,969,298	$ --	$ 1,233,004	$ 202,525,012	$ 327,727,314
Financial liabilities:					
Annuities and other trust liabilities	$ --	$ --	$ 1,762,019	$ --	$ 1,762,019

[1] Investments that are measured at fair value using NAV as a practical expedient are not classified within the fair value hierarchy. The fair value amounts permit reconciliation of investments in the fair value hierarchy table to amounts presented in the accompanying statement of financial position.

NOTE 5 - FAIR VALUE MEASUREMENT (CONTINUED)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

COMMON STOCK AND EQUITY MUTUAL FUNDS

Fair value is determined using quoted market prices at the reporting date multiplied by the quantity on hand and is classified as Level 1.

CHARITABLE REMAINDER TRUSTS AND ANNUITIES AND OTHER TRUST LIABILITIES

Fair value is determined as the present value of the future cash flows discounted at an interest rate that reflects the risks inherent in those cash flows.

For remainder trusts, cash flows are based on the contractual payout rates of the agreements over a time period determined on the basis of the current age of the annuitants and corresponding mortality tables. The primary unobservable inputs are the applicable discount rate of 7.5% and applicable life expectancies that range from 1 to 12 years.

There have been no changes in investment valuation techniques or inputs.

The table below summarizes investments for which NAV or its equivalent has been used to estimate fair value as a practical expedient, as well as the investee strategies, redemptions, and unfunded commitments related to such investments as of June 30, 2025:

Investment	Fair Value	Remaining Average Life of Funds as of June 30, 2025	Unfunded Commitments as of June 30, 2025	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Global equity funds[(a)]:					
Monthly	$ 414,436	N/A	$ --	Monthly	45-60 days
Quarterly	8,655,855	N/A	--	Quarterly	3-90 days
Annual	19,943,412	N/A	--	Annual	45-90 days
Hedge funds[(b)]:					
Daily	1,113,113	N/A	--	Daily	3-60 days
Monthly	6,542,101	N/A	--	Monthly	60 days
Quarterly	7,254,199	N/A	--	Quarterly	3-60 days
Semiannual	3,130,997	N/A	--	Semiannual	45-90 days
Illiquid	14,507,812	4.6 years	2,760,058	N/A	N/A

NOTE 5 - FAIR VALUE MEASUREMENT (CONTINUED)

CHARITABLE REMAINDER TRUSTS AND ANNUITIES AND OTHER TRUST LIABILITIES (CONTINUED)

Investment	Fair Value	Remaining Average Life of Funds as of June 30, 2025	Unfunded Commitments as of June 30, 2025	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
(continued)					
Public equity funds[c]:					
Daily	$ 76,812,101	N/A	$ --	Daily	1 day
Weekly	14,004,466	N/A	--	Weekly	7 days
Private equity funds[d]:	50,146,520	3.8 years	21,208,879	N/A	N/A
Total	$ 202,525,012		$ 23,968,937		

[a] The global equity managers' investment objective is to achieve long-term growth primarily by investing in a diversified portfolio of global equity securities, in established markets, that possess fundamental investment value.

[b] Hedge funds seek to achieve attractive long-term, absolute rates of return across market cycles while preserving capital. Investment strategies are utilized by the underlying funds to hedge and/or enhance return, including agency securities, commercial mortgage-backed securities, other securities backed by residential mortgages, interest only and inverse interest only strips, and securities relating to real estate investment trusts.

[c] Public equity funds are comprised of various funds that invest in publicly traded equities to achieve fund managers' objectives.

[d] The objective of private equity investments is to earn risk adjusted rates of return predominantly through the acquisition of private, illiquid income-producing assets such as real estate, natural resources, and private companies operating in other sectors. The College holds 61 individual interests in these partnerships with an average expected life of 3.8 years.

NOTE 5 - FAIR VALUE MEASUREMENT (CONTINUED)

CHARITABLE REMAINDER TRUSTS AND ANNUITIES AND OTHER TRUST LIABILITIES (CONTINUED)

The following table reconciles the beginning and ending balances of the College's assets and liabilities measured at fair value using significant unobservable inputs (Level 3) for the year ended June 30, 2025:

	Financial Assets	Financial Liabilities
	Charitable Remainder Trusts	Annuities and Other Trust Liabilities
Fair Value, July 1, 2024	$ 1,189,590	$ 1,818,182
Unrealized gains	47,563	217,271
Purchases	374,272	--
New annuities and other trust liabilities	--	--
Sales	(378,421)	--
Payments to annuitants	--	(273,434)
Fair Value, June 30, 2025	$ 1,233,004	$ 1,762,019

There were no transfers between fair value levels during fiscal year 2025. The unrealized gains above are included in change in value of split-interest agreements in the accompanying statement of activities.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2025, consisted of the following:

Buildings and improvements	$ 192,943,684
Equipment and furnishings	13,028,857
Land and land improvements	10,627,445
Construction in progress (non-depreciable)	25,888,172
Library books and fine art	1,557,982
Total Property and Equipment	244,046,140
Less: Accumulated depreciation and amortization	(102,714,046)
Property and Equipment, Net	$ 141,332,094

NOTE 6 - PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation and amortization expense totaled $5,896,324 for the year ended June 30, 2025. No depreciation has been recorded on library books or fine arts due to their antique nature and the inability to estimate future service potential.

No interest was capitalized related to the construction in progress during the year ended June 30, 2025, as management believes the amount to be insignificant.

The College has asset retirement obligations arising from regulatory requirements to perform certain asset retirement activities at the time at which certain buildings are renovated or disposed. The College has recognized an estimated liability of $1,158,006 for its obligation to perform such retirement activities, as of June 30, 2025. This amount is included in other liabilities on the accompanying statement of financial position. The College monitors these obligations and will modify its estimates periodically as additional information becomes available, including timing and extent of remediation and estimated cost.

The College's financial responsibility composite score is based on criteria determined by the U.S. Department of Education and certain financial data which are otherwise not presented in these financial statements or other notes to the financial statements. As of June 30, 2025, property and equipment: pre-implementation and property and equipment: post-implementation, without outstanding debt for original purchase were $87,250,559 and $27,796,630, respectively.

NOTE 7 - ANNUITIES AND OTHER TRUST LIABILITIES

Annuities and other trust liabilities as of June 30, 2025, are summarized below:

Charitable gift annuity liabilities	$ 1,007,232
Charitable remainder trust liabilities	754,787
Total Annuities and Other Trust Liabilities	$ 1,762,019

Charitable gift annuity reserve assets are held in segregated reserve accounts at least equal to liabilities in accordance with the specified requirements of Code of Maryland Regulations chapter 31.09.07. As of June 30, 2025, these segregated reserve accounts' assets totaled $8,889,662 and are included as common stock and equity mutual funds in investments on the accompanying statement of financial position.

NOTE 7 - ANNUITIES AND OTHER TRUST LIABILITIES (CONTINUED)

Assets totaling $1,233,004 corresponding to the charitable remainder trust liabilities are included as charitable remainder trusts in investments in the accompanying statement of financial position (see Note 4). The College acts as trustee of the charitable remainder trust assets.

NOTE 8 - BONDS PAYABLE

Bonds payable as of June 30, 2025, are summarized below:

Bonds payable – Public Finance Authority	
Revenue Bonds – 2016 Series:	
Interest rates from 2.00% to 5.00% payable over 30 years	$ 20,275,000
bonds payable – Maryland Health and Higher Educational	
Facilities Authority Revenue Bonds – 2020 Series:	
Interest rates from 3.00% to 4.00% payable over 20 years	6,790,000
Total Bonds Payable	27,065,000
Unamortized discount	(582,715)
Unamortized premium	290,879
Deferred bond issuance costs	(380,263)
Bonds Payable, Net	$ 26,392,901

Bond issuance costs represent fees associated with bond issuances and are amortized over the life of the bonds. Amortization expense totaled $29,724 for the year ended June 30, 2025, and is included in interest expense and allocated to programs in the accompanying statement of activities.

The Series 2020 bonds were issued at a premium, generating proceeds of $386,046. The Series 2020 and 2016 bonds are general obligations of the College and are secured by the general revenues of the College and its educational facilities. The College is restricted from incurring additional debt unless it meets specific guidelines outlined in the loan agreement. Additionally, the College must submit audited financial statements to the Authority and the bond trustee within 180 days after fiscal year-end. As of June 30, 2025, the College was in compliance with such financial covenants.

NOTE 8 - BONDS PAYABLE (CONTINUED)

Scheduled maturities of the bonds for future years ending June 30 are as follows:

2026	$ 965,000
2027	995,000
2028	1,030,000
2029	1,065,000
2030	1,105,000
Thereafter	21,905,000
Total	$ 27,065,000

For the year ended June 30, 2025, interest expense, including interest relating to the lines of credit, totaled $1,038,713.

NOTE 9 - LINES OF CREDIT

The College maintains an unsecured revolving line of credit with a bank through February 1, 2026, totaling $4,000,000, which renews annually. Interest is payable monthly based on the daily Wall Street Prime Rate less 0.75%, which was 6.75% as of June 30, 2025. There were no amounts due under this line of credit as of June 30, 2025.

The College also has an unsecured revolving line of credit with a bank totaling $3,000,000, which expires October 30, 2025. The line of credit bears interest at the daily Wall Street Prime Rate less 0.75%, which was 6.75% as of June 30, 2025. There were no amounts outstanding on this line of credit as of June 30, 2025. On November 3, 2025, the line of credit was renewed under similar terms until November 1, 2026.

NOTE 10 - POSTRETIREMENT MEDICAL BENEFITS

The College sponsors an unfunded defined benefit postretirement medical plan (the Plan). Under the Plan, employees are eligible for postretirement medical benefits on or after age 65 with 10 years of service, or upon retirement prior to age 65 with 30 years of service. In certain circumstances, an employee who has attained age 59½ and has at least 25 years of service may be declared eligible. The medical benefits available will be the health benefits provided to eligible retirees under the terms of the current health care plan in effect when the employee retires. Retirees are expected to pay a portion of the cost of providing retiree medical benefit. The percentage that a retiree is expected to pay varies based on the retiree's retirement age. The College accrues the expected cost of providing postretirement benefits to employees and their beneficiaries and covered dependents, if applicable, during the years in which the employees render service. The benefit obligation is calculated

NOTE 10 - POSTRETIREMENT MEDICAL BENEFITS (CONTINUED)

using the Projected Unit Credit funding method. There were no changes in Plan provisions during the year ended June 30, 2025. The Plan's liabilities have not changed due to plan amendments since the last valuation.

The following table sets forth the Plan's projected postretirement benefit obligation, fair value of plan assets, and funded status at June 30, 2025:

Change in benefit obligation:	
Benefit obligation at beginning of year	$ 8,330,429
Service cost	116,087
Interest cost	443,057
Actuarial gain	1,238,675
Benefits paid, net of participant contributions	(313,354)
Benefit Obligation at End of Year	9,814,894
Change in plan assets:	
Fair value of plan assets at beginning of year	--
Expected return on plan assets	--
Employer contributions	559,693
Benefits paid, net of participant contributions	559,693
Fair Value of Plan Assets at End of Year	--
Funded Status	$ 9,814,894

Weighted average assumptions used to determine the postretirement benefit obligation as of June 30, 2025 were as follows:

Discount rate – Annapolis campus	5.52%
Discount rate – Santa Fe campus	5.56%
Pre-65 Medical health care trend rates	4.00%-7.50%
Post-65 Medical health care trend rates	4.00%
Year ultimate trend rate achieved for Pre-65	2075
Year ultimate trend rate achieved for Post-65	2025
Mortality rate	Pri-2012 Scale MP-2021

NOTE 10 - POSTRETIREMENT MEDICAL BENEFITS (CONTINUED)

The net periodic postretirement benefit income for the year ended June 30, 2025, included the following components:

Service cost	$ 116,087
Interest cost	443,057
Amortization of prior service (credit) cost	(890,491)
Amortization of net actuarial (gain) loss	(1,103,427)
Net Periodic Postretirement Benefit Income (Cost)	$ (1,434,774)

Weighted average assumptions used to determine net periodic income for the year ended June 30, 2025, were as follows:

Discount rate Santa Fe	5.49%
Discount rate Annapolis	5.48%
Pre-65 Medical health care trend rates	4.00%-7.50%
Post-65 Medical health care trend rates	4.00%
Year ultimate trend rate achieved	2075

The obligation was calculated using the Projected Unit Credit funding method. As of June 30, 2025, there was a net loss on the liability due to the following gains and losses:

Demographic changes	$ 584,201
Claims and administrative costs update	662,214
Trend rates update	45,524
Discount rate change	(53,264)
Net Loss	$ 1,238,675

The other changes in plan assets recognized in other than net periodic postretirement benefit income for the College were as follows as of June 30, 2025:

Net actuarial gain arising during the year	$ 1,238,675
Amortization during the year	1,929,550
Total	$ 3,168,225

NOTE 10 - POSTRETIREMENT MEDICAL BENEFITS (CONTINUED)

The items not yet recognized as a component of net periodic postretirement benefit income for the College were as follows as of June 30, 2025:

Net actuarial gain	$ (3,746,953)
Prior service cost (credit)	(1,762,570)
Total	$ (5,509,523)

The College makes contributions to the postretirement medical plan equal to the net benefits paid each year. For subsequent years ending June 30, the College expects to make contributions to and pay benefits from the plan as follows:

For the Year Ending June 30,	Amount
2026	$ 580,864
2027	617,625
2028	658,390
2029	658,142
2030	668,975
2031 to 2035	3,588,355

NOTE 11 - COMMITMENTS, RISKS AND CONTINGENCIES

The College maintains its cash and cash equivalents with certain commercial financial institutions and the investment custodian, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of $250,000 per depositor per institution. The College uses a sweep account and has not experienced any credit losses on its cash and cash equivalents to date as it relates to the FDIC insurance limit.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

The College's contributions are concentrated with a small donor base. As of June 30, 2025, approximately 66% of gross contributions receivable was from four donors.

NOTE 11 - COMMITMENTS, RISKS AND CONTINGENCIES (CONTINUED)

Amounts received and expended by the College under various federal and state programs are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, will not have a significant effect on the financial position of the College.

The College is a party to various litigation and other claims in the ordinary course of business. In the opinion of management, appropriate provision has been made for possible losses and the ultimate resolution of these matters will not have a significant effect on the financial position of the College.

As of June 30, 2025, contractual commitments pertaining to construction and major maintenance projects were approximately $7,001,709. Bond proceeds, contributions and grants and other College revenues are expected to provide the necessary funding for these commitments.

NOTE 12 - NET ASSETS

NET ASSETS WITHOUT DONOR RESTRICTIONS

The College's net assets without donor restrictions are composed of undesignated amounts and board-designated amounts serving as quasi-endowments. As of June 30, 2025, the College's net assets without donor restrictions were as follows:

Undesignated	$ 60,501,534
Board-designated endowment funds	2,819,555
Total Net Assets Without Donor Restrictions	$ 63,321,089

NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2025, net assets with donor restrictions were restricted for the following purposes or period:

Net assets with perpetual donor restrictions:	
Endowment funds – Annapolis campus	$ 127,163,282
Endowment funds – Santa Fe campus	47,645,969
College Fund endowment funds	99,235,060
Revolving student loan funds	4,222,455
Split-interest agreements	4,618,276

NOTE 12 - NET ASSETS (CONTINUED)

NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

(continued)		
Net assets restricted by donors as to time and/or purpose:		
Endowment earnings available for appropriation – Annapolis campus	$	37,720,318
Endowment earnings available for appropriation – Santa Fe campus		8,690,000
Contributions receivable for future time periods		12,579,269
Gifts restricted for specific academic programs or policies		40,715,783
Split-interest agreements		3,288,615
College fund endowment earnings available for appropriation		8,848,949
Total Net Assets With Donor Restrictions	$	394,727,975

The endowment earnings are principally restricted for scholarships and operations.

The College's financial responsibility composite score is based on criteria determined by the U.S. Department of Education and certain financial data which are otherwise not presented in these financial statements or other notes to the financial statements. As of June 30, 2025, net assets with donor restrictions: restricted in perpetuity and net assets with donor restrictions: either for purpose or time were $282,885,042 and $111,842,933, respectively. As of June 30, 2025, annuities with donor restrictions totaled $7,906,890.

NOTE 13 - ENDOWMENT

The College's endowment is composed of both donor-restricted endowment funds and board-designated funds. Net assets consisting of those funds are classified and reported based on the existence or absence of donor-imposed restrictions.

INTERPRETATION OF RELEVANT LAW

The College's Board of Visitors and Governors has interpreted the Uniform Prudent Management of Institutional Funds Act (the Act) as enacted by the states of Maryland and New Mexico as requiring the College to manage and invest the individual donor-restricted endowment funds in good faith and with prudence.

The College classifies as net assets with donor restrictions (a) the original value of initial gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of

NOTE 13 - ENDOWMENT (CONTINUED)

INTERPRETATION OF RELEVANT LAW (CONTINUED)

prudence prescribed by the Act. The College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the College and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) the other resources of the College; and (7) the investment policies of the College.

RETURN OBJECTIVES AND RISK PARAMETERS

The College has adopted an investment policy for its endowment assets that attempts to provide a steady and growing stream of annual distributions sufficient to meet its endowment spending policy while seeking to maintain the long-term purchasing power of the portfolio's assets, all within acceptable risk parameters. The portfolio oversight rests with the Investment Committee of the Board of Visitors and Governors, including the selection of external managers and the allocation and choice of investments.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation with exposure to equities, absolute return, fixed income and real assets. In addition, the endowment fund includes faculty home loans, which are secured by the residential real estate for which the loans were made (see Note 2).

POOLED ENDOWMENT SPENDING RATE

The College's endowment is subject to a spending policy that determines the amount available for operations each year. The policy provides a blended formula based on a percentage of the prior year's spending amount and fair value of endowment funds.

Unless otherwise approved by the Board, the annual spending amount must not be less than 4.5% or more than 5.5% of the fair value of the endowment. In October 2024, the Board approved a policy whereby the College may not spend more than 7% of the preceding twelve quarters of the endowment's market value as of December 31 of the prior year and authorized the College to spend 7% for the year ended June 30, 2025, as needed for operations.

NOTE 13 - ENDOWMENT (CONTINUED)

ENDOWMENT COMPOSITION

Endowment net assets consisted of the following as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Historical gift value	$ --	$ 274,044,311	$ 274,044,311
Appreciation	--	55,259,267	55,259,267
Subtotal	--	329,303,578	329,303,578
Board-designated endowment funds	2,819,555	--	2,819,555
Total Endowment Net Assets	$ 2,819,555	$ 329,303,578	$ 332,123,133

The accompanying statement of financial position does not include loans payable from the operating funds to the endowment funds, as these are considered internal transactions. Accordingly, the corresponding notes receivable and notes payable have been eliminated. The loan balance for Annapolis as of June 30, 2025, was $3,400,000. The Board approved the loan from the endowment fund on April 16, 2007. This loan was used to finance capital improvements for Annapolis. These improvements have been capitalized as part of the College's buildings and improvements and are being depreciated over their estimated useful lives. The College considers this loan to be a part of the total endowment and will be repaid with interest of 7.5% over 30 years. The loan was effective July 1, 2007.

Changes in endowment net assets for the year ended June 30, 2025, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 7,751,116	$ 315,031,818	$ 322,782,934
Net investment gain	271,964	28,172,397	28,444,361
Contributions/transfers	(5,032,940)	1,842,078	(3,190,862)
Other endowment expenses	(15,172)	(1,416,665)	(1,431,837)
Appropriation of endowment assets for expenditure	(155,413)	(14,326,050)	(14,481,463)
Endowment Net Assets, End of Year	$ 2,819,555	$ 329,303,578	$ 332,123,133

NOTE 13 - ENDOWMENT (CONTINUED)

ENDOWMENT COMPOSITION (CONTINUED)

As stated above, the accompanying statement of financial position does not include loans payable from the operating funds to the endowment funds, as these are considered internal transactions. Accordingly, the corresponding notes receivable and notes payable have been eliminated. During the year ended June 30, 2025, the College obtained approval from certain donors to release $4,000,000 from the College Fund for general functions at the Santa Fe campus.

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the College to retain as a fund of perpetual duration. The College's policy is to continue to appropriate from such individually-deficient funds in accordance with its spending policy. As of June 30, 2025, deficiencies of this nature exist in various donor-restricted endowment funds, which have an original value of $12,488,877, a current value of $11,738,956, with a deficiency of $749,921.

NOTE 14 - RETIREMENT PLANS

College employees are covered by defined-contribution plans, which provide retirement benefits through Teachers Insurance and Annuity Association (TIAA) and The College Retirement Equity Fund (CREF). Under these plans and pursuant to the provisions of Section 403(b) of the Internal Revenue Code (the IRC), College and participant contributions are used to purchase individual annuity contracts and investments offered through TIAA and CREF. Vesting provisions are full and immediate. College contributions to the defined contribution plans were $1,870,570 for the year ended June 30, 2025.

NOTE 15 - FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the College:

	Instructional	Student Services	Auxiliary Enterprises	Academic Support	Institutional Support	Development and Fundraising	Total Expenses
Compensation	$ 16,712,726	$ 7,063,911	$ 1,747,000	$ 2,220,170	$ 6,756,771	$ 2,385,311	$ 36,885,889
Depreciation and amortization	1,376,328	947,677	2,854,674	565,194	128,013	24,438	5,896,324
Food services	--	--	4,776,438	--	--	--	4,776,438
Promotional, IT and other	449,824	1,099,950	622,715	276,655	2,855,422	748,951	6,054,780
Office expenses	250,572	656,884	115,445	79,952	97,498	169,398	1,369,749
Professional services	741,778	1,762,055	627,815	265,475	2,237,158	1,588,073	7,222,354
Finance and bank costs	--	--	--	2,739	1,038,713	178,000	1,219,452
Occupancy and utilities	360,946	238,508	904,037	147,393	35,676	6,675	1,693,235
Total Expenses	$ 19,892,175	$ 11,768,985	$ 11,648,124	$ 3,557,578	$ 13,149,251	$ 5,100,846	$ 65,116,958

NOTE 16 - AVAILABILITY AND LIQUIDITY

The College regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. The College's financial assets available within one year of the statement of financial position date for general expenditures at June 30, 2025, were as follows:

Cash and cash equivalents	$ 11,495,073
Restricted cash	3,879
Loans and other receivables, net	3,834,395
Contributions receivable, net	13,353,073
Investments and investment related receivable	335,299,007
Total Financial Assets	363,985,427

NOTE 16 - AVAILABILITY AND LIQUIDITY (CONTINUED)

Less: (continued)	
Amounts unavailable for use within one year	
Unrestricted contributions receivable, due after one year	$ (10,864,971)
Restricted by donor for time and purpose	(6,567,326)
Board-designated endowments	(2,819,555)
Annuities, restricted cash and revolving loan funds	(11,359,214)
Donor-restricted endowments	(329,303,578)
Plus:	
Subsequent year's endowment payout	16,383,099
Financial Assets Available to Meet General Expenditures Within One Year	$ 19,453,882

The College's annual expenditures are primarily supported by current-year operating revenues including student tuition and fees, federal and state grants, contributions, endowment distributions and auxiliary enterprises. The College maintains cash balances at a level designed to ensure short-term liquidity, utilizing sweep accounts for holding short-term liquid funds. A 12-month rolling cash-flow forecast is maintained in order to identify and address any threats to short-term liquidity. The College maintains external lines of credit totaling $7,000,000 that can be drawn upon during the year, as needed, to manage cash flows as well as a $10,000,000 board approved loan from endowment funds, with donor approval, which includes a $3,000,000 revolving line of credit. As of June 30, 2025, no funds were drawn from the external lines of credit. As of June 30, 2025, $4,000,000 was drawn from the Endowment loan.

NOTE 17 - INCOME TAXES

As an educational institution meeting the requirements of Section 501(c)(3) of the IRC, the College is exempt from income taxes on income related to its exempt purpose as provided in Section 501(a), except to the extent it has taxable income from activities that are not related to its exempt purpose. No provision for income taxes was required for 2024.

Management has analyzed the tax positions taken by the College and has concluded that as of June 30, 2025, there were no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the accompanying financial statements. The College is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period pending or in progress.

NOTE 18 - RELATED PARTIES

Contributions made by members of the Board and officers of the College totaled approximately $4,022,000 for the year ended June 30, 2025. Outstanding contributions receivable from members of the Board or officers of the College totaled approximately $9,974,000 at June 30, 2025.

In addition, a member of the Board has a managerial and financial interest in an investment firm through which the College has an investment.

NOTE 19 - PRIOR YEAR SUMMARIZED FINANCIAL INFORMATION

The accompanying financial statements include certain prior year summarized comparative information in total, but not by net asset class. Accordingly, such information should be read in conjunction with the College's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE 20 - SUBSEQUENT EVENTS

The College has evaluated subsequent events through December 15, 2025, the date on which the financial statements were available to be issued. Other than the renewal of the line of credit disclosed in Note 9, there were no subsequent events that require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

ST. JOHN'S COLLEGE

SCHEDULE OF CAMPUS BALANCE SHEETS

JUNE 30, 2025

	Annapolis, Maryland Campus	Santa Fe, New Mexico Campus	College Fund	Eliminations	Total
Assets					
Cash and cash equivalents	$ 7,643,061	$ 3,852,012	$ --	$ --	$ 11,495,073
Restricted cash	3,877	2	--	--	3,879
Loans and other receivables, net	2,244,697	1,589,689	--	--	3,834,386
Intercampus receivable	16,385,522	--	7,663,183	(24,048,705)	--
Contributions receivable, net	5,547,698	7,805,375	3,818,129	(3,818,129)	13,353,073
Prepaid expenses and other assets	1,024,025	2,490,387	--	--	3,514,412
Investments	224,776,543	110,522,464	104,078,511	(104,078,511)	335,299,007
Property and equipment, net	72,805,654	68,526,440	--	--	141,332,094
Total Assets	$ 330,431,077	$ 194,786,369	$ 115,559,823	$ (131,945,345)	$ 508,831,924
Liabilities and Net Assets					
Liabilities					
Accounts payable and accrued expenses	$ 1,701,520	$ 2,636,907	$ --	$ --	$ 4,338,427
Accrued sabbatical leave	2,455,804	1,943,488	--	--	4,399,292
Intercampus payable	--	16,385,522	--	(16,385,522)	--
Contract liabilities	1,151,547	1,765,775	--	--	2,917,322
Annuities and other trust liabilities	1,626,083	135,936	--	--	1,762,019
Bonds payable, net	17,097,446	9,295,455	--	--	26,392,901
Accrued postretirement benefits	7,183,450	2,631,444	--	--	9,814,894
Other liabilities	1,158,005	--	--	--	1,158,005
Total Liabilities	32,373,855	34,794,527	--	(16,385,522)	50,782,860
Net Assets					
Without donor restrictions	42,855,986	20,465,103	--	--	63,321,089
With donor restrictions	255,201,236	139,526,739	115,559,823	(115,559,823)	394,727,975
Total Net Assets	298,057,222	159,991,842	115,559,823	(115,559,823)	458,049,064
Total Liabilities and Net Assets	$ 330,431,077	$ 194,786,369	$ 115,559,823	$ (131,945,345)	$ 508,831,924

See independent auditors' report on supplementary information.

ST. JOHN'S COLLEGE

SCHEDULE OF CAMPUS ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

	Annapolis, Maryland Campus	Santa Fe, New Mexico Campus	College Fund	Eliminations	Total
Revenue and Support					
Contributions	$ 8,399,726	$ 10,813,352	$ 2,195,727	$ (2,132,394)	$ 19,276,411
Tuition and fees, net	9,278,028	6,557,794	--	--	15,835,822
Endowment distribution for operations	7,740,126	3,349,261	3,242,072	--	14,331,459
Auxiliary enterprises	5,956,406	5,871,244	--	--	11,827,650
Federal grants and contracts	932,133	1,080,289	--	--	2,012,422
Other revenue, gains and losses	1,397,042	1,540,482	--	--	2,937,524
Distribution from quasi fund	--	5,032,942	--	--	5,032,942
Endowment distribution from College Fund	1,651,426	1,590,646	(3,242,072)	--	--
State appropriations	2,244,900	15,964	--	--	2,260,864
Total Revenue and Support	37,599,787	35,851,974	2,195,727	(2,132,394)	73,515,094
Expenses					
Program Services					
Instructional	10,359,927	9,532,247	--	--	19,892,174
Student services	5,913,090	5,855,895	--	--	11,768,985
Auxiliary enterprises	6,204,320	5,443,804	--	--	11,648,124
Academic support	1,861,205	1,696,373	--	--	3,557,578
Total Program Services	24,338,542	22,528,319	--	--	46,866,861
Supporting Services					
Institutional support	7,276,113	5,873,138	--	--	13,149,251
Development and fundraising	1,546,130	1,780,288	1,774,428	--	5,100,846
Total Supporting Services	8,822,243	7,653,426	1,774,428	--	18,250,097
Total Expenses	33,160,785	30,181,745	1,774,428	--	65,116,958
Change in Net Assets Before Other Activities	4,439,002	5,670,229	421,299	(2,132,394)	8,398,136
Other Activities					
Change in interest in College Fund	1,730,070	1,730,070	--	(3,460,140)	--
Change in value of split-interest agreements	432,406	86,466	--	--	518,872
Net periodic benefit cost other than service cost	837,923	712,938	--	--	1,550,861
Investment income, net in excess of endowment distribution for operations, net	6,978,391	(2,092,506)	5,171,235	--	10,057,120
Inter campus asset transfer	(1,651,426)	1,651,426	--	--	--
Postretirement changes other than net periodic benefit cost	(2,195,514)	(961,265)	--	--	(3,156,779)
Change in Net Assets	10,570,852	6,797,358	5,592,534	(5,592,534)	17,368,210
Net Assets, Beginning of Year	287,486,370	153,194,484	109,967,289	(109,967,289)	440,680,854
Net Assets, End of Year	$ 298,057,222	$ 159,991,842	$ 115,559,823	$(115,559,823)	$ 458,049,064

See independent auditors' report on supplementary information.

Financial Statements and Supplementary Information

For the Year Ended June 30, 2024
(With Summarized Financial Information for the Year Ended June 30, 2023)

and
Report Thereon

ST. JOHN'S COLLEGE

TABLE OF CONTENTS
For the Year Ended June 30, 2024

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Visitors and Governors of
St. John's College

Opinion

We have audited the financial statements of St. John's College (the College), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Marcum LLP / 1899 L Street, NW / Suite 850 / Washington, DC 20036 / **Phone** 202.227.4000 / **marcumllp.com**

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of campus balance sheets and campus activities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matter

Report on Summarized Comparative Information

We have previously audited the College's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marcum LLP

Washington, DC
December 4, 2024

ST. JOHN'S COLLEGE

STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	$ 12,047,877	$ 11,597,041
Restricted cash	655,547	620,486
Loans and other receivables, net of allowance for credit losses of $536,085	3,699,192	3,570,424
Employee retention tax credit receivable	-	8,085,490
Contributions receivable, net	67,764,764	67,062,275
Prepaid expenses and other assets	3,510,073	3,416,697
Investments	280,149,395	218,823,061
Investment related receivable	3,359,641	3,041,979
Property and equipment, net	123,136,179	105,631,857
TOTAL ASSETS	$ 494,322,668	$ 421,849,310
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 7,841,643	$ 6,379,206
Accrued sabbatical leave	4,499,926	4,291,672
Contract liabilities	2,527,268	2,024,378
Refundable government grants	32,690	95,769
Annuities and other trust liabilities	1,818,182	1,813,995
Bonds payable, net	27,293,177	28,168,453
Accrued postretirement benefits	8,330,429	9,161,672
Other liabilities	1,298,499	1,618,841
TOTAL LIABILITIES	53,641,814	53,553,986
Net Assets		
Without donor restrictions	50,251,722	52,983,845
With donor restrictions	390,429,132	315,311,479
TOTAL NET ASSETS	440,680,854	368,295,324
TOTAL LIABILITIES AND NET ASSETS	$ 494,322,668	$ 421,849,310

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S COLLEGE

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Summarized Financial Information for the Year Ended June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
REVENUE AND SUPPORT				
Contributions	$ 322,929	$ 64,558,911	$ 64,881,840	$ 35,771,580
Tuition and fees, net	15,818,157	-	15,818,157	15,068,002
Endowment distribution for operations	11,277,466	66,820	11,344,286	11,705,777
Auxiliary enterprises	11,354,099	-	11,354,099	11,062,651
Federal grants and contracts	1,687,528	-	1,687,528	1,817,540
Employee retention tax credit	-	-	-	8,085,490
Other revenue, gains and losses	3,494,563	214,984	3,709,547	2,010,456
State appropriations	2,024,371	-	2,024,371	6,768,599
Net assets released from restrictions:				
Satisfaction of time restrictions	707,761	(707,761)	-	-
Satisfaction of program restrictions	5,741,534	(5,741,534)	-	-
TOTAL REVENUE AND SUPPORT	52,428,408	58,391,420	110,819,828	92,290,095
EXPENSES				
Program Services:				
Instructional	18,359,367	-	18,359,367	17,550,059
Student services	12,502,309	-	12,502,309	11,710,912
Auxiliary enterprises	10,566,723	-	10,566,723	11,409,775
Academic support	3,495,654	-	3,495,654	3,356,860
Total Program Services	44,924,053	-	44,924,053	44,027,606
Supporting Services:				
Institutional support	12,306,834	-	12,306,834	11,413,309
Development and fundraising	4,229,687	-	4,229,687	5,390,301
Total Supporting Services	16,536,521	-	16,536,521	16,803,610
TOTAL EXPENSES	61,460,574	-	61,460,574	60,831,216
Change in Net Assets Before Other Activities	(9,032,166)	58,391,420	49,359,254	31,458,879
OTHER ACTIVITIES				
Change in value of split-interest agreements	87,102	1,469,807	1,556,909	1,232,290
Net periodic benefit income other than service cost	1,690,987	-	1,690,987	1,456,217
Investment gains (losses) in excess of endowment distribution for operations, net	5,503,533	15,256,426	20,759,959	11,705,565
Postretirement changes other than net periodic benefit income	(981,579)	-	(981,579)	(430,523)
CHANGE IN NET ASSETS	(2,732,123)	75,117,653	72,385,530	45,422,428
NET ASSETS, BEGINNING OF YEAR	52,983,845	315,311,479	368,295,324	322,872,896
NET ASSETS, END OF YEAR	$ 50,251,722	$ 390,429,132	$ 440,680,854	$ 368,295,324

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S COLLEGE

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Summarized Financial Information for the Year Ended June 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 72,385,530	$ 45,422,428
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Allowance for bad debts	37,284	224,540
Change in discount on contributions receivable	(238,748)	(417,366)
Contributions restricted for long-term purposes, plant and endowment	(45,272,809)	(12,941,336)
Contributed partnership investment	(5,436,668)	-
Net realized and unrealized gain on investments	(31,695,695)	(23,443,638)
Change in value of annuities and other trust agreements	272,702	13,812
Depreciation and amortization	5,078,792	4,513,114
Amortization of bond issue costs	21,278	21,277
Amortization of bond discount	27,748	27,749
Amortization of bond premium	(19,302)	(19,302)
Change in asset retirement obligation (other liabilities)	(320,342)	143,596
Postretirement changes other than net periodic benefit income	981,579	430,523
Changes in assets and liabilities:		
Loans and other receivable	(372,525)	(257,476)
Employee retention tax credit receivable	8,085,490	(8,085,490)
Contributions receivable	(463,741)	(4,600,881)
Prepaid expenses and other assets	(93,376)	(578,879)
Investment related receivable	(317,662)	(2,882,382)
Accounts payable and accrued expenses	(2,642,786)	(1,249,917)
Accrued sabbatical leave	208,254	293,719
Contract liabilities	502,890	72,030
Refundable government grants	(63,078)	(150,930)
Accrued postretirement benefits	(1,812,822)	(1,485,171)
Other liabilities	-	(8,542)
NET CASH USED IN OPERATING ACTIVITIES	(1,148,007)	(4,958,522)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	16,855,851	20,507,792
Purchases of investments	(41,384,029)	(7,370,851)
Purchases of property and equipment	(18,477,891)	(13,728,049)
Loans disbursed	(232,999)	(218,626)
Principal repayment of loans	439,472	502,396
NET CASH USED IN INVESTING ACTIVITIES	(42,799,596)	(307,338)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions received restricted for long-term purposes, plant and endowment	45,272,809	12,941,336
Principal repayments of bonds payable	(905,000)	(880,000)
Contributed annuities and trusts held for long-term purposes	-	24,284
Payments on annuities	(268,515)	(260,907)
NET CASH PROVIDED BY FINANCING ACTIVITIES	44,099,294	11,824,713
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	151,691	6,558,853
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	18,668,574	12,109,721
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 18,820,265	$ 18,668,574
CASH AND CASH EQUIVALENTS REPORTED ON THE STATEMENT OF FINANCIAL POSITION		
Cash and cash equivalents	$ 12,047,877	$ 11,597,041
Restricted cash	655,547	620,486
Cash and cash equivalents held within investments	6,116,841	6,451,047
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH	$ 18,820,265	$ 18,668,574

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S COLLEGE

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Summarized Financial Information for the Year Ended June 30, 2023)

(continued)

	2024	2023
SUPPLEMENTAL CASH FLOW INFORMATION		
Noncash investing activities		
Purchases of property and equipment still payable	$ 4,105,223	$ 2,370,182
Contributed partnership investments	5,436,668	-
Investment related receivable	(3,359,641)	(3,041,979)
Total Noncash Investing Activities:	$ 6,182,250	$ (671,797)
Cash payments during the year for interest (net of capitalized interest of $0 in 2024 and $212,250 in 2023)	$ 971,840	$ 1,002,475

The accompanying notes are an integral part of these financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization

St. John's College (the College) is a not-for-profit private college established under the laws of the State of Maryland, and consists of the Annapolis, Maryland Campus (Annapolis) and the Santa Fe, New Mexico Campus (Santa Fe) (collectively, the Campuses) and the College Fund. The Campuses and the College Fund share a common governing board, the Board of Visitors and Governors (the Board). The College Fund is not a legal entity, but rather an internal fund created by the College to account for assets contributed by donors, not specifically designated for either Annapolis or Santa Fe, but designated for the benefit of both Campuses equally.

Basis of Presentation

The financial statements of the College have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net assets and the changes in net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the College at the discretion of the College's management and the Board, including amounts designated by the Board to act as quasi-endowments.

Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of the College or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity, with the earnings used for purposes designated by the donor.

Revenue and support are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Net realized and unrealized gains and losses on investments are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations. Expirations of donor restrictions recognized on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with restrictions to net assets without. Donor restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are placed into service.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenue and expenses recognized during the reporting period. Actual results could differ from those estimates.

1. Organization and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments purchased with maturities of three months or less. At various times during the year, the College maintained cash balances in excess of the federally insured limit.

Restricted Cash

Restricted cash consists of debt service reserves from the 2020 bond issuance. These funds are invested in short-term, highly liquid securities.

Loans Receivable

Loans receivable are reported at their face value, less an allowance an allowance for credit losses and consist of U.S. government revolving student loans, institutional student loans and faculty home loans. Funds provided by the U.S. government under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collection. Such funds are ultimately refundable to the government and are reported as refundable government grants. Loans receivable under the Federal Perkins Loan Program are subject to government regulations. The Federal Perkins Loan Program ended during fiscal year 2018 and the College is making the required repayments to the government. The repayment terms and interest rate of the institutional student loans vary.

Faculty home loans consist of mortgage loans which bear interest at the applicable federal rate (at the time of issuance) and are secured by the residential real estate for which the loans were made.

At each statement of financial position date, the College recognizes an expected allowance for credit losses. At each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist.

The allowance estimate is derived from a review of the College's historical losses based on the loss rate method. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors determined relevant by the College. The College believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the College's loans have remained constant since the College's inception. At June 30, 2024 the allowance for credit losses was $536,085.

The College writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from accounts previously written off, they will be recognized in income or offset to credit loss expense in the year of recovery, in accordance with the College's accounting policy election. The College wrote-off $41,905 during the year ended June 30, 2024.

1. Organization and Summary of Significant Accounting Policies (continued)

Contributions Receivable

Contributions receivable represent unconditional contributions from foundations and individuals. Unconditional contributions are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted rates applicable in the years in which those promises are received. Contributions receivable is reviewed for collectability, and a provision for doubtful contributions receivable is recorded based on management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

Investments

Investments include cash and cash equivalents, a fixed-income mutual fund, and common stock and equity mutual funds, all with readily determinable fair values recorded at fair value based upon quoted market prices, and charitable remainder trusts whose fair value is based on unobservable inputs. Investments also include various global equity, hedge and private equity funds (alternative investments) which are stated at fair value based on the fund's or partnership's reported net asset value (NAV) per share or its equivalent as a practical expedient for fair value. These estimated fair values, which are reviewed and evaluated by the College and its external resources, may differ from values that would have been used had a ready market existed for these investments and the differences could be significant. The College has no plans or intentions to sell alternative investments at amounts different from NAV as of June 30, 2024. Net realized and unrealized gains and losses on investments are reflected in the accompanying statement of activities. Investment transactions are accounted for on a trade-date basis.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair value at date of gift, if donated. Additions or improvements that extend the useful life of existing facilities are capitalized. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	5-50 years
Equipment and furnishing	5-15 years

Repairs and maintenance costs are expensed as incurred. Long-lived assets and certain intangibles are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When such events or changes in circumstances indicate that an asset may not be recoverable, an impairment loss is recognized in an amount by which the asset's net carrying value exceeds its estimated fair value.

1. Organization and Summary of Significant Accounting Policies (continued)

Sabbatical Leave

Sabbatical leave is available to both tenured and nontenured faculty upon completion of a minimum service period and is accrued as it is earned. Sabbatical leave is included in instructional expense on the accompanying statement of activities.

Annuities and Other Trust Liabilities

Annuities and other trust liabilities represent split-interest agreements, consisting of irrevocable charitable remainder trusts and gift annuities for which the College is the trustee. Assets held under these agreements are included in investments. The College's interest in split-interest agreements is reported as a contribution in the fiscal year in which it is received and is calculated as the difference between the fair value of the assets contributed and the estimated liability to the beneficiary. The split-interest agreements are adjusted during the term of the trusts for changes in the value of assets and other changes in the estimates of future benefits, and such changes are recognized as other activities in the accompanying statement of activities.

Tuition, Fees and Financial Aid

Tuition and fees consist of amounts earned related to credit-granting courses and programs, net of scholarships and financial aid. The College recognizes revenue from student tuition and fees ratably over the semester in which the related courses and programs are delivered. Student tuition and fees received in advance of services rendered are recorded as contract liabilities in the accompanying statement of financial position. Because the College's fiscal year coincides with the academic year, student receivables related to tuition and fees are generally de minimis at year-end. Tuition and fees revenue is billed at published rates established by the Board on an annual basis. Payment is due before the start of each academic semester.

The College provides financial aid to eligible students, generally, in a "package" that includes loans, compensation under work-study programs, and/or grant and scholarship awards. The loans are provided partially through programs of the United States government (including direct and guaranteed loan programs) under which the College is required to only perform certain administrative functions. Grants and scholarships include awards provided through gifts and grants from private donors or from income earned on endowment funds restricted for student aid, as well as general fund scholarship awards. For the year ended June 30, 2024, financial aid including grant and scholarship awards totaled $20,734,580 and is netted against tuition and fees revenue on the accompanying statement of activities.

The College's refund policy allows for an 80% refund if withdrawal occurs within the first 21 days of the semester. After 21 days, no refunds will be issued. As of June 30, 2024, no variable refund liability exists and tuition revenue has been reported net of refunds granted. The College has measured revenue for tuition and fees using the portfolio of contracts practical expedient, having determined that measuring revenue for the individual contracts within the portfolio would not differ significantly.

1. Organization and Summary of Significant Accounting Policies (continued)

Tuition, Fees and Financial Aid (continued)

Federal student financial aid programs (including Federal grant and work-study programs) funded approximately 11% of net tuition and student fees revenue during the year ended June 30, 2024.

Contributions

Unconditional contributions, including unconditional promises to give, are recognized as revenue and support in the appropriate category of net assets in the reporting period in which they are received. Unconditional promises to give are recognized initially at fair value giving consideration to anticipated future cash receipts and discounting such amounts at a risk-adjusted rate. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are overcome. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Amortization of the discount is recorded as additional contribution revenue. Where considered necessary, allowance is made for estimated uncollectible contributions based on management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors. Changes in the nature of any restrictions on contributions due to amendments to or clarifications of agreements with donors are recognized as reclassifications of net assets in the reporting period in which the amendments or clarifications are approved.

Auxiliary Enterprises

Auxiliary enterprises consist primarily of revenue received from students for housing charges meal plans, bookstore operations, and other goods and services. Fees charged are directly related to the costs of goods provided or services rendered and are recognized accordingly.

Housing and meal plan revenue are billed at published rates established by the Board on an annual basis and recorded as revenue throughout the year as the related services are rendered. Payments are due before the start of each academic semester or paid throughout the semester with enrollment in an approved payment plan. The College's refund policy allows for an 80% refund for housing and meal plan fees if withdrawal occurs within the first 21 days of the semester. After 21 days, no refunds will be issued. As of June 30, 2024, no variable refund liability exists and auxiliary revenue has been reported net of refunds granted. Housing and meal plan revenue accounted for 90% of total auxiliary enterprises revenue for the fiscal year ended June 30, 2024.

The performance obligation for certain other auxiliary enterprises, including parking and bookstore operations, is satisfied at the time goods or services are received (point of sale) and are recognized at the time of purchase.

1. Organization and Summary of Significant Accounting Policies (continued)

Auxiliary Enterprises (continued)

No significant discounts are provided by the College for auxiliary enterprises. Amounts received in advance of services to be rendered are recorded as contract liabilities in the accompanying statement of financial position. Because the College's fiscal year coincides with the academic year, accounts receivable related to auxiliary enterprises are de minimis at year-end. The College has measured revenue using the portfolio of contracts practical expedient for housing and meal plans, having determined that measuring revenue to the individual contracts within each portfolio would not differ significantly.

Federal Grants and Contracts and State Appropriations

The College considers the majority of its grants and contracts from governmental sources to be conditional contributions. Amounts received conditionally in advance are categorized as refundable government grants on the accompanying statement of financial position.

Other Revenue

Other revenue principally relates to summer programs, health services, events and revolving loan fund activity and is recognized at the point in time the service is provided.

Functional Expenses

The costs of providing programs and supporting services have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs related to the operation and maintenance of the physical plant, including depreciation, are allocated to program and supporting activities based upon square footage of facilities. Interest on debt is recorded in institutional support and auxiliary enterprises.

Other Activities

Other activities include changes in the interest in the College Fund and value of split-interest agreements, net periodic benefit income (cost) other than service cost, investment gains and losses in excess of endowment distributions for operations, and other postretirement changes.

Recently Adopted Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance FASB ASC 326, Current Expected Credit Losses, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the College that are subject to the guidance in FASB ASC 326 were loans and other receivables. The College adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

2. Loans and Other Receivables

Loans and other receivables consisted of the following as of June 30, 2024:

Institutional student loans	$ 3,273,172
Life insurance	543,553
Federal Perkins Loan Program	195,311
Student and other receivables	76,227
Faculty home loans	147,014
Total Loans and Other Receivables	4,235,277
Less: Allowance for Doubtful Accounts	(536,085)
Loans and Other Receivables, Net	$ 3,699,192

3. Contributions Receivable

Contributions receivable were due as follows as of June 30, 2024:

Less than one year	$ 53,553,076
One year to five years	12,936,309
Over five years	2,702,902
Total Contributions Receivable	69,192,287
Less: Unamortized Discount (Average Discount Rate of 3.75%)	(1,427,523)
Contributions Receivable, Net	$ 67,764,764

Management closely monitors outstanding balances and has determined that the outstanding contributions receivable as of June 30, 2024, are fully collectible.

In 2022, the College received a conditional matching gift from a family foundation in the amount of $22,500,000. At July 1, 2023, $17,500,000 remained conditional. During the year ended June 30, 2024, the College recognized $2,500,000 related to the conditional gift and $15,000,000 remained conditional as of the end of the year. Additionally, during the year ended June 30, 2024, the College received a gift estimated at $25,000,000 from a family foundation conditional upon the death of the foundation's namesake and the completion of the administration of the estate. The contribution remained fully conditional at June 30, 2024. The College has also conditionally been named as the beneficiary in various bequests and trusts. These conditional promises to give will not be recognized until the barriers are overcome.

4. Investments

The College's investments consisted of the following as of June 30, 2024:

Global equity funds	$ 29,471,315
Hedge funds	31,883,719
Fixed income mutual funds	38,148,783

4. Investments (continued)

(continued)

Private equity funds	$ 52,700,369
Common stock and equity mutual funds	120,638,778
Cash and cash equivalents	6,116,841
Charitable remainder trusts	1,189,590
Total Investments	$ 280,149,395

Investment income is reported in the accompanying statement of activities as endowment distributions for operations and investment gains in excess of endowment distributions for operations.

5. Fair Value Measurement

The fair value of the College's financial instruments is determined based on the amount that would be received if an asset were sold or that would be paid to transfer a liability, in each case in an orderly transaction between market participants at the measurement date assuming the transaction occurs in the asset's principal (or most advantageous) market. Those fair value measurements maximize the use of observable inputs.

The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the College has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy as of June 30, 2024:

	Level 1	Level 2	Level 3	Investments at NAV(1)	Fair Value
Financial assets:					
Investments:					
Global equity funds	$ -	$ -	$ -	$ 29,471,315	$ 29,471,315
Hedge funds	-	-	-	31,883,719	31,883,719
Fixed income mutual funds	38,148,783	-	-	-	38,148,783
Private equity funds	-	-	-	52,700,369	52,700,369
Common stock and equity mutual funds	120,638,778	-	-	-	120,638,778

5. Fair Value Measurement (continued)

	Level 1	Level 2	Level 3	Investments at NAV[1]	Fair Value
(continued)					
Financial assets:					
Investments:					
Charitable remainder trusts	$ -	$ -	$ 1,189,590	$ -	$ 1,189,590
Total Financial Assets	$158,787,561	$ -	$ 1,189,590	$114,055,403	$274,032,554
Financial liabilities:					
Annuities and other trust liabilities	$ -	$ -	$ 1,818,182	$ -	$ 1,818,182

[1] Investments that are measured at fair value using NAV as a practical expedient are not classified within the fair value hierarchy. The fair value amounts permit reconciliation of investments in the fair value hierarchy table to amounts presented in the accompanying statement of financial position.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Fixed income mutual funds and common stock and equity: Fair value is determined using quoted market prices at the reporting date multiplied by the quantity on hand and is classified as Level 1.

Charitable remainder trusts and annuities and other trust liabilities: Fair value is determined as the present value of the future cash flows discounted at an interest rate that reflects the risks inherent in those cash flows. For remainder trusts, cash flows are based on the contractual payout rates of the agreements over a time period determined on the basis of the current age of the annuitants and corresponding mortality tables. The primary unobservable inputs are the applicable discount rate of 8.25% and applicable life expectancies that range from 1 to 9 years.

There have been no changes in investment valuation techniques or inputs.

The table below summarizes investments for which NAV or its equivalent has been used to estimate fair value as a practical expedient, as well as the investee strategies, redemptions, and unfunded commitments related to such investments as of June 30, 2024:

Investment	Fair Value	Remaining Average Life of Funds as of June 30, 2024	Unfunded Commitments as of June 30, 2024	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Global equity funds[a]:					
Monthly	$ 406,762	N/A	$ -	Monthly	45-60 days
Quarterly	12,039,059	N/A	-	Quarterly	3-90 days

5. Fair Value Measurement (continued)

Investment	Fair Value	Remaining Average Life of Funds as of June 30, 2024	Unfunded Commitments as of June 30, 2024	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
(continued)					
Global equity funds[a]:					
Annual	$ 17,025,494	N/A	$ -	Annual	45-90 days
Hedge funds[b]:					
Quarterly	717,645	N/A	-	Quarterly	3-60 days
Semiannual	9,805,722	N/A	-	Semiannual	45-90 days
Annual	4,176,828	N/A	-	Annual	60-90days
Illiquid	17,183,524	4.8 years	2,600,000	N/A	N/A
Private equity funds[c]:	52,700,369	5.3 years	22,210,219	N/A	N/A
Total	$ 114,055,403		$ 24,810,219		

[a] The global equity managers' investment objective is to achieve long-term growth primarily by investing in a diversified portfolio of global equity securities, in established markets, that possess fundamental investment value.

[b] Hedge funds seek to achieve attractive long-term, absolute rates of return across market cycles while preserving capital. Investment strategies are utilized by the underlying funds to hedge and/or enhance return, including agency securities, commercial mortgage-backed securities, other securities backed by residential mortgages, interest only and inverse interest only strips, and securities relating to real estate investment trusts.

[c] The objective of private equity investments is to earn risk adjusted rates of return predominantly through the acquisition of private, illiquid income-producing assets such as real estate, natural resources, and private companies operating in other sectors. The College holds 64 individual interests in these partnerships with an average expected life of 4.3 years.

The following table reconciles the beginning and ending balances of the College's assets and liabilities measured at fair value using significant unobservable inputs (Level 3) for the year ended June 30, 2024:

	Financial Assets	Financial Liabilities
	Charitable Remainder Trusts	Annuities and Other Trust Liabilities
Fair Value, July 1, 2023	$ 1,105,055	$ 1,813,995
Unrealized gains	93,278	272,701

5. Fair Value Measurement (continued)

	Financial Assets	Financial Liabilities
	Charitable Remainder Trusts	Annuities and Other Trust Liabilities
(continued)		
Purchases	$ 220,642	$ -
New annuities and other trust liabilities	-	-
Sales	(229,385)	-
Payments to annuitants	-	(268,514)
Fair Value, June 30, 2024	$ 1,189,590	$ 1,818,182

There were no transfers between fair value levels during fiscal year 2024. The unrealized gains above are included in change in value of split-interest agreements in the accompanying statement of activities.

6. Property and Equipment

Property and equipment as of June 30, 2024, consisted of the following:

Buildings and improvements	$ 175,494,637
Equipment and furnishings	12,284,541
Land and land improvements	9,911,417
Construction in progress (non-depreciable)	21,137,813
Library books and fine art	1,161,249
Total Property and Equipment	219,989,657
Less: Accumulated Depreciation and Amortization	(96,853,478)
Property and Equipment, Net	$ 123,136,179

Depreciation and amortization expense totaled $5,078,792 for the year ended June 30, 2024. No depreciation has been recorded on library books or fine arts due to their antique nature and the inability to estimate future service potential.

No interest was capitalized related to the construction in progress during the year ended June 30, 2024, as management believes the amount to be insignificant.

The College has asset retirement obligations arising from regulatory requirements to perform certain asset retirement activities at the time at which certain buildings are renovated or disposed. The College has recognized an estimated liability of $1,298,499 for its obligation to perform such retirement activities, as of June 30, 2024. This amount is included in other liabilities on the accompanying statement of financial position. The College monitors these obligations and will modify its estimates periodically as additional information becomes available, including timing and extent of remediation and estimated cost.

6. Property and Equipment (continued)

The College's financial responsibility composite score is based on criteria determined by the U.S. Department of Education and certain financial data which are otherwise not presented in these financial statements or other notes to the financial statements. As of June 30, 2024, property and equipment: pre-implementation and property and equipment: post-implementation, without outstanding debt for original purchase were $83,049,133 and $18,949,233, respectively.

7. Annuities and Other Trust Liabilities

Annuities and other trust liabilities as of June 30, 2024, are summarized below:

Charitable gift annuity liabilities	$ 1,073,351
Charitable remainder trust liabilities	744,831
Total Annuities and Other Trust Liabilities	$ 1,818,182

Charitable gift annuity reserve assets are held in segregated reserve accounts at least equal to liabilities in accordance with the specified requirements of Code of Maryland Regulations chapter 31.09.07. As of June 30, 2024, these segregated reserve accounts' assets totaled $8,453,081 and are included as common stock and equity mutual funds in investments on the accompanying statement of financial position.

Assets totaling $1,189,590 corresponding to the charitable remainder trust liabilities are included as charitable remainder trusts in investments in the accompanying statement of financial position (see Note 4). The College acts as trustee of the charitable remainder trust assets.

8. Bonds Payable

Bonds payable as of June 30, 2024, are summarized below:

Bonds payable – Public Finance Authority Revenue Bonds – 2016 Series: Interest rates from 2.00% to 5.00% payable over 30 years	$ 20,855,000
Bonds payable – Maryland Health and Higher Educational Facilities Authority Revenue Bonds – 2020 Series: Interest rates from 3.00% to 4.00% payable over 20 years	7,140,000
Total Bonds Payable	27,995,000
Unamortized Discount	(610,463)
Unamortized Premium	310,181
Deferred Bond Issuance Costs	(401,541)
Bonds Payable, Net	$ 27,293,177

8. Bonds Payable (continued)

Bond issuance costs represent fees associated with bond issuances and are amortized over the life of the bonds. Amortization expense totaled $29,724 for the year ended June 30, 2024, and is included in interest expense and allocated to programs in the accompanying statement of activities.

The Series 2020 bonds were issued at a premium, generating proceeds of $386,046. The Series 2020 and 2016 bonds are general obligations of the College and are secured by the general revenues of the College and its educational facilities. The College is restricted from incurring additional debt unless it meets specific guidelines outlined in the loan agreement. Additionally, the College must submit audited financial statements to the Authority and the bond trustee within 180 days after fiscal year-end. As of June 30, 2024, the College was in compliance with such financial covenants.

Scheduled maturities of the bonds for future years ending June 30 are as follows:

2025	$ 930,000
2026	965,000
2027	995,000
2028	1,030,000
2029	1,065,000
Thereafter	23,010,000
Total	$ 27,995,000

For the year ended June 30, 2024, interest expense, including interest relating to the lines of credit, totaled $1,235,314.

9. Lines of Credit

The College maintains an unsecured revolving line of credit with a bank through February 1, 2024, totaling $4,000,000, which renews annually. Interest is payable monthly based on the daily Wall Street Prime Rate less 0.75%, which was 7.75% as of June 30, 2024. There were no amounts due under this line of credit as of June 30, 2024.

The College also has an unsecured revolving line of credit with a bank totaling $3,000,000, which expires August 1, 2025. The line of credit bears interest at the daily Wall Street Prime Rate less 0.75%, which was 7.75% as of June 30, 2024. There were no amounts outstanding on this line of credit as of June 30, 2024.

10. Postretirement Medical Benefits

The College sponsors an unfunded defined benefit postretirement medical plan (the Plan). Under the Plan, employees are eligible for postretirement medical benefits on or after age 65 with 10 years of service, or upon retirement prior to age 65 with 30 years of service. In certain

10. Postretirement Medical Benefits (continued)

circumstances, an employee who has attained age 59½ and has at least 25 years of service may be declared eligible. The medical benefits available will be the health benefits provided to eligible retirees under the terms of the current health care plan in effect when the employee retires. Retirees are expected to pay a portion of the cost of providing retiree medical benefit. The percentage that a retiree is expected to pay varies based on the retiree's retirement age. The College accrues the expected cost of providing postretirement benefits to employees and their beneficiaries and covered dependents, if applicable, during the years in which the employees render service. The benefit obligation is calculated using the Projected Unit Credit funding method. There were no changes in Plan provisions during the year ended June 30, 2024.

The Plan's liabilities have not changed due to plan amendments since the last valuation.

The following table sets forth the Plan's projected postretirement benefit obligation, fair value of plan assets, and funded status at June 30, 2024:

Change in benefit obligation:	
Benefit obligation at beginning of year	$ 9,161,672
Service cost	133,798
Interest cost	457,614
Actuarial gain	(1,087,531)
Benefits paid, net of participant contributions	(335,124)
Benefit Obligation at End of Year	8,330,429
Change in plan assets:	
Fair value of plan assets at beginning of year	-
Expected return on plan assets	-
Employer contributions	335,124
Benefits paid, net of participant contributions	(335,124)
Fair Value of Plan Assets at End of Year	-
Funded Status	$ 8,330,429

Weighted average assumptions used to determine the postretirement benefit obligation as of June 30, 2024 were as follows:

Discount rate – Annapolis campus	5.48%
Discount rate – Santa Fe campus	5.49%
Pre-65 Medical health care trend rates	4.04%-7.00%
Post-65 Medical health care trend rates	4.00%
Year ultimate trend rate achieved for Pre-65	2075
Year ultimate trend rate achieved for Post-65	2024
Mortality rate	Pri-2012 Scale MP-2021

10. Postretirement Medical Benefits (continued)

The net periodic postretirement benefit income for the year ended June 30, 2024, included the following components:

Service cost	$ 133,798
Interest cost	457,614
Amortization of prior service credit	(1,227,083)
Amortization of net actuarial gain	(912,145)
Net Periodic Postretirement Benefit Income	$ (1,547,816)

Weighted average assumptions used to determine net periodic income for the year ended June 30, 2024, were as follows:

Discount rate Santa Fe	5.12%
Discount rate Annapolis	5.12%
Pre-65 Medical health care trend rates	4.04%-7.00%
Post-65 Medical health care trend rates	4.00%
Year ultimate trend rate achieved	2075

The obligation was calculated using the Projected Unit Credit funding method. As of June 30, 2024, there was a net gain on the liability due to the following gains and losses:

Demographic changes	$ 236,356
Claims and administrative costs update	10,317
Trend rates update	(989,598)
Discount rate change	(344,606)
Net Gain	$ (1,087,531)

The other changes in plan assets recognized in other than net periodic postretirement benefit income for the College were as follows as of June 30, 2024:

Net actuarial gain arising during the year	$ (1,087,531)
Amortization during the year	2,148,601
Total	$ 1,061,070

The items not yet recognized as a component of net periodic postretirement benefit income for the College were as follows as of June 30, 2024:

Net actuarial gain	$ (6,089,055)
Prior service cost (credit)	(2,653,061)
Total	$ (8,742,116)

10. Postretirement Medical Benefits (continued)

The College makes contributions to the postretirement medical plan equal to the net benefits paid each year. For subsequent years ending June 30, the College expects to make contributions to and pay benefits from the plan as follows:

For the Year Ending June 30,	
2025	$ 505,933
2026	520,007
2027	538,609
2028	572,581
2029	574,714
2030 to 2033	3,043,176

11. Commitments, Risks and Contingencies

The College maintains its cash and cash equivalents with certain commercial financial institutions and the investment custodian, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of $250,000 per depositor per institution. The College uses a sweep account and has not experienced any credit losses on its cash and cash equivalents to date as it relates to the FDIC insurance limit.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

The College's contributions are concentrated with a small donor base. As of June 30, 2024, approximately 89% of gross contributions receivable was from four donors.

Amounts received and expended by the College under various federal and state programs are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, will not have a significant effect on the financial position of the College.

The College is a party to various litigation and other claims in the ordinary course of business. In the opinion of management, appropriate provision has been made for possible losses and the ultimate resolution of these matters will not have a significant effect on the financial position of the College.

As of June 30, 2024, contractual commitments pertaining to construction and major maintenance projects were approximately $31,219,000. Bond proceeds, contributions and grants and other College revenues are expected to provide the necessary funding for these commitments.

12. Net Assets

Net Assets Without Donor Restrictions

The College's net assets without donor restrictions are composed of undesignated amounts and board-designated amounts serving as quasi-endowments. As of June 30, 2024, the College's net assets without donor restrictions were as follows:

Undesignated	$ 42,500,606
Board-designated endowment funds	7,751,116
Total Net Assets Without Donor Restrictions	$ 50,251,722

Net Assets With Donor Restrictions

As of June 30, 2024, net assets with donor restrictions were restricted for the following purposes or period:

Net assets with perpetual donor restrictions:	
Endowments for scholarships and operations	$ 173,794,566
College Fund endowment funds	98,558,200
Revolving student loan funds	4,018,649
Split-interest agreements	3,998,158
Net assets restricted by donors as to time and/or purpose:	
Endowment earnings available for appropriation	37,581,552
Contributions receivable for future time periods	16,798,099
Gifts restricted for specific academic programs or policies	47,124,778
Split-interest agreements	3,457,630
College fund endowment earnings available for appropriation	5,097,500
Total Net Assets With Donor Restrictions	$ 390,429,132

The College's financial responsibility composite score is based on criteria determined by the U.S. Department of Education and certain financial data which are otherwise not presented in these financial statements or other notes to the financial statements. As of June 30, 2024, net assets with donor restrictions: restricted in perpetuity and net assets with donor restrictions: either for purpose or time were $280,369,573 and $110,059,559, respectively. As of June 30, 2024, annuities with donor restrictions totaled $7,455,788.

13. Endowment

The College's endowment is composed of both donor-restricted endowment funds and board-designated funds. Net assets consisting of those funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The College's Board of Visitors and Governors has interpreted the Uniform Prudent Management of Institutional Funds Act (the Act) as enacted by the states of Maryland and New Mexico as requiring the College to manage and invest the individual donor-restricted

13. Endowment (continued)

Interpretation of Relevant Law (continued)

endowment funds in good faith and with prudence. The College classifies as net assets with donor restrictions (a) the original value of initial gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed by the Act. The College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the College and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) the other resources of the College; and (7) the investment policies of the College.

Return Objectives and Risk Parameters

The College has adopted an investment policy for its endowment assets that attempts to provide a steady and growing stream of annual distributions sufficient to meet its endowment spending policy while seeking to maintain the long-term purchasing power of the portfolio's assets, all within acceptable risk parameters. The portfolio oversight rests with the Investment Committee of the Board of Visitors and Governors, including the selection of external managers and the allocation and choice of investments.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation with exposure to equities, absolute return, fixed income and real assets. In addition, the endowment fund includes faculty home loans, which are secured by the residential real estate for which the loans were made (see Note 2).

Pooled Endowment Spending Rate

The College's endowment is subject to a spending policy that determines the amount available for operations each year. The policy provides a blended formula based on a percentage of the prior year's spending amount and fair value of endowment funds. Unless otherwise approved by the Board, the annual spending amount must not be less than 4.5% or more than 5.5% of the fair value of the endowment. In October 2024, the Board approved a policy whereby the College may not spend more than 7% of the preceding twelve quarters of the endowment's market value as of December 31 of the prior year.

13. Endowment (continued)

Pooled Endowment Spending Rate (continued)

Endowment net assets consisted of the following as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Historical gift value	$ -	$ 272,352,766	$ 272,352,766
Appreciation	-	42,679,052	42,679,052
Subtotal	-	315,031,818	315,031,818
Board-designated endowment funds	7,751,116	-	7,751,116
Total Endowment Net Assets	$ 7,751,116	$ 315,031,818	$ 322,782,934

The accompanying statement of financial position does not include loans payable from the operating funds to the endowment funds, as these are considered internal transactions. Accordingly, the corresponding notes receivable and notes payable have been eliminated. The loan balance for Annapolis as of June 30, 2024, was $3,700,000. The Board approved the loan from the endowment fund on April 16, 2007. This loan was used to finance capital improvements for Annapolis. These improvements have been capitalized as part of the College's buildings and improvements and are being depreciated over their estimated useful lives. The College considers this loan to be a part of the total endowment and will be repaid with interest of 7.5% over 30 years. The loan was effective July 1, 2007.

Changes in endowment net assets for the year ended June 30, 2024, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 7,287,381	$ 254,627,079	$ 261,914,460
Net investment gain	904,437	31,220,548	32,124,985
Contributions/Additions	-	41,835,512	41,835,512
Other endowment expenses	(58,776)	(1,688,962)	(1,747,738)
Appropriation of endowment assets for expenditure	(381,926)	(10,962,359)	(11,344,285)
Endowment Net Assets, End of Year	$ 7,751,116	$ 315,031,818	$ 322,782,934

13. Endowment (continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the College to retain as a fund of perpetual duration. The College's policy is to continue to appropriate from such individually-deficient funds in accordance with its spending policy. As of June 30, 2024, deficiencies of this nature exist in various donor-restricted endowment funds, which have an original value of $26,843,100, a current value of $25,271,488, with a deficiency of $1,571,612.

14. Retirement Plans

College employees are covered by defined-contribution plans, which provide retirement benefits through Teachers Insurance and Annuity Association (TIAA) and The College Retirement Equity Fund (CREF). Under these plans and pursuant to the provisions of Section 403(b) of the Internal Revenue Code (the IRC), College and participant contributions are used to purchase individual annuity contracts and investments offered through TIAA and CREF. Vesting provisions are full and immediate. College contributions to the defined contribution plans were $1,830,070 for the year ended June 30, 2024.

15. Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the College:

	Instructional	Student Services	Auxiliary Enterprises	Academic Support	Institutional Support	Development and Fundraising	Total Expenses
Compensation	$15,530,661	$ 6,959,186	$ 1,722,620	$ 2,196,345	$ 6,407,372	$ 2,461,937	$35,278,121
Depreciation and amortization	1,186,483	815,050	2,458,624	487,076	110,756	20,804	5,078,793
Food services	-	-	4,736,686	-	-	-	4,736,686
Promotional, IT and other	367,527	1,479,010	617,399	347,567	1,450,796	780,174	5,042,473
Office expenses	227,077	1,041,416	115,041	83,365	419,290	192,683	2,078,872
Professional services	713,049	1,957,602	271,564	244,517	2,620,085	752,145	6,558,962
Finance and bank costs	-	-	-	-	1,265,875	17,017	1,282,892
Occupancy and utilities	334,570	250,045	644,789	136,784	32,660	4,927	1,403,775
Total Expenses	$18,359,367	$12,502,309	$10,566,723	$ 3,495,654	$12,306,834	$ 4,229,687	$61,460,574

16. Availability and Liquidity

The College regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. The College's financial assets available within one year of the statement of financial position date for general expenditures at June 30, 2024, were as follows:

Cash and cash equivalents	$ 12,047,877
Restricted cash	655,547
Loans and other receivables, net	3,699,192
Contributions receivable, net	67,764,764
Investments and investment related receivable	283,509,036
Total Financial Assets	367,676,416
Less:	
Amounts unavailable for use within one year	
Unrestricted contributions receivable, due after one year	(15,639,211)
Restricted by donor for time and purpose	(25,934,617
Board-designated endowments	(4,096,214)
Annuities, restricted cash and revolving loan funds	(11,363,584)
Donor-restricted endowments	(309,934,318)
Plus:	
Subsequent year's endowment payout	13,455,561
Financial Assets Available to Meet General Expenditures Within One Year	$ 14,164,033

The College's annual expenditures are primarily supported by current-year operating revenues including student tuition and fees, federal and state grants, contributions, endowment distributions and auxiliary enterprises. The College maintains cash balances at a level designed to ensure short-term liquidity, utilizing sweep accounts for holding short-term liquid funds. A 12-month rolling cash-flow forecast is maintained in order to identify and address any threats to short-term liquidity. The College maintains external lines of credit totaling $7,000,000 that can be drawn upon during the year, as needed, to manage cash flows and a $7,000,000 board approved loan from endowment funds and a $3,000,000 board approved line of credit from endowment funds. As of June 30, 2024, no funds were drawn from any of the available lines of credit.

17. Income Taxes

As an educational institution meeting the requirements of Section 501(c)(3) of the IRC, the College is exempt from income taxes on income related to its exempt purpose as provided in Section 501(a), except to the extent it has taxable income from activities that are not related to its exempt purpose. No provision for income taxes was required for 2024.

17. Income Taxes (continued)

Management has analyzed the tax positions taken by the College and has concluded that as of June 30, 2024, there were no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the accompanying financial statements. The College is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period pending or in progress.

18. Related Parties

Contributions made by members of the Board and officers of the College totaled approximately $4,754,000 for the year ended June 30, 2024. Outstanding contributions receivable from members of the Board or officers of the College totaled approximately $10,748,000 at June 30, 2024.

In addition, a member of the Board has a managerial and financial interest in an investment firm through which the College has an investment.

19. Prior Year Summarized Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total, but not by net asset class. Accordingly, such information should be read in conjunction with the College's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

20. Subsequent Events

The College has evaluated subsequent events through December 4, 2024, the date on which the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

ST. JOHN'S COLLEGE

SCHEDULE OF CAMPUS BALANCE SHEETS
June 30, 2024

	Annapolis, Maryland Campus	Santa Fe, New Mexico Campus	College Fund	Eliminations	Total
ASSETS					
Cash and cash equivalents	$ 8,931,597	$ 3,116,280	$ -	$ -	$ 12,047,877
Restricted cash	655,545	2	-	-	655,547
Loans and other receivables, net	2,452,342	1,246,850	-	-	3,699,192
Intercampus receivable	12,603,731	-	1,521,769	(14,125,500)	-
Contributions receivable, net	33,562,898	34,201,866	53,448,950	(53,448,950)	67,764,764
Prepaid expenses and other assets	1,822,101	1,687,972	-	-	3,510,073
Investments and investment related receivable	191,486,677	92,022,359	54,996,570	(54,996,570)	283,509,036
Property and equipment, net	69,117,981	54,018,198	-	-	123,136,179
TOTAL ASSETS	$ 320,632,872	$ 186,293,527	$ 109,967,289	$ (122,571,020)	$ 494,322,668
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	$ 3,083,849	$ 4,757,794	$ -	$ -	$ 7,841,643
Accrued sabbatical leave	2,409,760	2,090,166	-	-	4,499,926
Intercampus payable	-	12,603,731	-	(12,603,731)	-
Contract liabilities	970,671	1,556,597	-	-	2,527,268
Refundable government grants	10,974	21,716	-	-	32,690
Annuities and other trust liabilities	1,639,437	178,745	-	-	1,818,182
Bonds payable, net	17,739,406	9,553,771	-	-	27,293,177
Accrued postretirement benefits	5,993,906	2,336,523	-	-	8,330,429
Other liabilities	1,298,499	-	-	-	1,298,499
TOTAL LIABILITIES	33,146,502	33,099,043	-	(12,603,731)	53,641,814
Net Assets					
Without donor restrictions	29,069,279	21,182,443	-	-	50,251,722
With donor restrictions	258,417,091	132,012,041	109,967,289	(109,967,289)	390,429,132
TOTAL NET ASSETS	287,486,370	153,194,484	109,967,289	(109,967,289)	440,680,854
TOTAL LIABILITIES AND NET ASSETS	$ 320,632,872	$ 186,293,527	$ 109,967,289	$ (122,571,020)	$ 494,322,668

See independent auditors' report on supplementary information.

ST. JOHN'S COLLEGE

SCHEDULE OF CAMPUS ACTIVITIES
For the Year Ended June 30, 2024

	Annapolis, Maryland Campus	Santa Fe, New Mexico Campus	College Fund	Eliminations	Total
REVENUE AND SUPPORT					
Contributions	$ 49,300,380	$ 10,115,639	$ 10,830,919	$ (5,365,098)	$ 64,881,840
Tuition and fees, net	9,300,916	6,517,241	-	-	15,818,157
Endowment distribution for operations	5,789,058	2,876,745	2,678,483	-	11,344,286
Auxiliary enterprises	5,549,212	5,804,887	-	-	11,354,099
Federal grants and contracts	820,625	866,903	-	-	1,687,528
Other revenue, gains and losses	1,800,547	1,909,000	-	-	3,709,547
Endowment distribution from College Fund	1,299,990	1,378,493	(2,678,483)	-	-
State appropriations	2,014,134	10,237	-	-	2,024,371
TOTAL REVENUE AND SUPPORT	75,874,862	29,479,145	10,830,919	(5,365,098)	110,819,828
EXPENSES					
Program Services:					
Instructional	9,664,179	8,695,188	-	-	18,359,367
Student services	6,275,648	6,226,661	-	-	12,502,309
Auxiliary enterprises	5,336,250	5,230,473	-	-	10,566,723
Academic support	1,836,939	1,658,715	-	-	3,495,654
Total Program Services	23,113,016	21,811,037	-	-	44,924,053
Supporting Services:					
Institutional support	6,820,305	5,486,529	-	-	12,306,834
Development and fundraising	1,163,050	1,297,455	1,769,182	-	4,229,687
Total Supporting Services	7,983,355	6,783,984	1,769,182	-	16,536,521
TOTAL EXPENSES	31,096,371	28,595,021	1,769,182	-	61,460,574
Change in Net Assets Before Other Activities	44,778,491	884,124	9,061,737	(5,365,098)	49,359,254
OTHER ACTIVITIES					
Change in interest in College Fund	4,398,605	4,398,605	-	(8,797,210)	-
Change in value of split-interest agreements	1,503,059	53,850	-	-	1,556,909
Net periodic benefit income other than service cost	970,043	720,944	-	-	1,690,987
Investment gains in excess of endowment distribution for operations	12,168,317	3,491,071	5,100,571	-	20,759,959
Postretirement changes other than net periodic benefit income	(257,726)	(723,853)	-	-	(981,579)
CHANGE IN NET ASSETS	63,560,789	8,824,741	14,162,308	(14,162,308)	72,385,530
NET ASSETS, BEGINNING OF YEAR	223,925,581	144,369,743	95,804,981	(95,804,981)	368,295,324
NET ASSETS, END OF YEAR	$ 287,486,370	$ 153,194,484	$ 109,967,289	$ (109,967,289)	$ 440,680,854

See independent auditors' report on supplementary information.

APPENDIX C

SUMMARIES OF DEFINITIONS OF CERTAIN TERMS, THE INDENTURE, THE LOAN AGREEMENT, THE INTERCREDITOR AGREEMENT, THE PLEDGE AND SECURITY AGREEMENT AND THE DEEDS OF TRUST

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TABLE OF CONTENTS

DEFINITIONS OF CERTAIN TERMS USED IN THE INDENTURE AND THE LOAN AGREEMENT

In addition to terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in this Official Statement. Terms used but not defined herein shall have the meanings set forth in the Indenture and the Loan Agreement.

"**Administrative Expenditures**" means any expenditures of the Authority for expenses of auditing, fees and expenses of the Trustee (whether as Trustee, paying agent or registrar for the Bonds) and all other expenditures reasonably and necessarily incurred by the Authority by reason of the issuance of any Bonds, including (without limitation) legal, financing and administrative expenses and expenses incurred by the Authority or the Trustee to compel full and punctual performance of the provisions of the Loan Agreement in accordance with the terms thereof.

"**Agency Obligations**" means direct obligations (including bonds or participation certificates) of, or obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by, any agency or instrumentality of the United States of America.

"**Annapolis Campus**" means the Corporation's educational campus located at 60 College Avenue, Annapolis, Maryland 21401.

"**Annual Administrative Fee**" means the annual fee for the general administrative services of the Authority in such amount per year not exceeding an amount equal to one-tenth of one percent (1/10%) of the aggregate principal amount of Bonds issued under the Indenture as shall be prescribed by the Authority from time to time.

"**Bond Counsel**" means a law firm, appointed by the Authority, having a national reputation in the field of municipal law, whose legal opinions are generally accepted by purchasers of municipal bonds. The firm of McKennon Shelton & Henn LLP is recognized as constituting Bond Counsel, subject to further action by the Authority.

"**Business Day**" means a day other than (i) a Saturday, Sunday or legal holiday in the State of Maryland observed as such by the Authority, (ii) a day on which banking institutions in the state in which the Designated Office of the Trustee is located or the state in which the principal office of the Corporation is located are authorized by law to close or (iii) a day on which the New York Stock Exchange is closed.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, or any successor federal income tax statute or code, and the applicable regulations thereunder.

"**College Property**" means the Annapolis Campus and the Santa Fe Campus (each as defined in the Pledge and Security Agreement).

"**Favorable Opinion of Bond Counsel**" means, when used with respect to or in connection with any action, a written opinion of Bond Counsel to the effect that such action will not adversely affect the excludability from gross income of interest paid on any Bond for federal income tax purposes.

"**Government Obligations**" means direct obligations of, or obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by, the United States of America.

"**Interest Payment Date**" means April 1 and October 1.

"**Investment Obligations**" means:

(a) Government Obligations;

(b) Agency Obligations;

(c) negotiable or nonnegotiable certificates of deposit issued by commercial banks, trust companies or savings and loan associations (including the Trustee and any of its affiliates) and continuously secured (to the extent not fully insured by the Federal Deposit Insurance Corporation), for the benefit of the Authority and the Trustee, either (i) by lodging with a bank or trust company, acting as agent for the Trustee or the Authority, as the case may be, as collateral security, Government Obligations or Agency Obligations or, with the approval of the Authority, other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller of the Currency of the United States of America or applicable state law or regulations, having a market value not less than the amount of such deposit, or (ii) if the furnishing of security as provided in clause (i) of this paragraph is not permitted by applicable law, in such other manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds;

(d) repurchase agreements for Government Obligations or Agency Obligations or investment agreements that are, or are issued or guaranteed by an entity, including the Trustee and any of its affiliates, rated by Moody's or S&P in its highest rating category or fully collateralized by Government Obligations or Agency Obligations (any such collateralized investment agreement being referred to herein as a "Collateralized Investment Agreement"); *provided* that (i) such Government Obligations or Agency Obligations shall be delivered to the Trustee or supported by a safekeeping receipt issued by a depository satisfactory to the Authority or other confirmatory documentation satisfactory to the Authority; (ii) the Trustee or the Authority (as the case may be) shall have a perfected security interest in such Government Obligations or Agency Obligations; (iii) such Government Obligations or Agency Obligations shall be free and clear of any other liens or encumbrances; and (iv) such repurchase agreements or Collateralized Investment Agreements shall provide that the value of the underlying Government Obligations or Agency Obligations shall be continuously maintained at a current market value of not less than 102% of the repurchase price or the amount deposited thereunder, respectively (the value of such Government Obligations or Agency Obligations to be determined by the Trustee or its agent at least once in each seven-day period);

(e) obligations issued by or on behalf of any state of the United States of America or any political subdivision thereof rated by Moody's or S&P in one of its three highest rating categories;

(f) obligations of any state of the United States of America or any political subdivision thereof for the payment of the principal or redemption price of and interest on which there shall have been irrevocably deposited Government Obligations maturing as to principal and interest at times and in amounts sufficient to provide such payment;

(g) commercial paper rated by Moody's or S&P in its highest rating category; and

(h) any mutual fund, money market fund or short term investment fund, the portfolio of which is limited to obligations described in clauses (a) through (g) above (including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, custodian or subcustodian), notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, and (ii) the Trustee charges and collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds.

"**Outstanding,**" when used with reference to Bonds, means as of any particular date, all Bonds authenticated and delivered under the Indenture except (i) any Bond cancelled by the Trustee (or delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for the payment of the principal or Redemption Price of and interest on which provision shall have been made as provided in the Indenture and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to the Indenture.

"**Record Date**," means the fifteenth day of the calendar month preceding each Interest Payment Date or, if there is a default in the payment of interest due on such Bonds, a subsequent date fixed by the Trustee that is at least 10 and not more than 15 days before the date set for the payment of such defaulted interest.

"**Redemption Price**" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

For the definition of "**Revenues**," see "Security and Sources of Payment for the Bonds -- Pledge of Revenues" in the forepart of this Official Statement.

"**Security Documents**" means the Deeds of Trust, the Pledge and Security Agreement and the Intercreditor Agreement, collectively.

"**Sinking Fund Installment**" means the amount of money provided in the Indenture to redeem or pay at maturity the Term Bonds at the times and in the amounts provided in the Indenture, less the amount of any credit against such amount arising from the purchase or redemption of the Term Bonds as provided in the Indenture.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. It is not a complete recital of the terms of the Indenture, and reference should be made to the Indenture for a complete statement of its terms. Words and terms used in this summary shall have the same meanings as in the Indenture, except where otherwise noted.

Creation of Funds and Accounts *(Section 4.01)*

The following funds and separate accounts within funds shall be established by the Indenture for the benefit of the holders of all Bonds Outstanding under the Indenture: Construction Fund (Costs of Issuance Account); Debt Service Fund (Interest Account and Principal Account); Redemption Fund; and, upon the direction of the Authority, the Trustee shall establish a Rebate Fund.

Deposit of Revenues *(Section 4.02)*

Except as otherwise expressly provided in the Indenture, the Trustee shall deposit Revenues upon receipt thereof as follows and in the following order of priority:

> FIRST: to the Interest Account, the amount, if any, necessary to make the amount on deposit in the Interest Account equal to the accrued and unpaid interest on the Outstanding Bonds on the immediately succeeding Interest Payment Date; and
>
> SECOND: to the Principal Account, the amount required to make the amount on deposit in the Principal Account equal to the principal amount and the Sinking Fund Installment for such Bonds, if any, due on the Outstanding Bonds on the immediately succeeding October 1.

Debt Service Fund
(Section 4.04)

The Trustee shall pay from the Interest Account the interest due on the Outstanding Bonds on each Interest Payment Date and any amounts required for the payment of accrued interest upon any redemption of Outstanding Bonds.

The Trustee shall on each October 1 pay from the Principal Account the principal amount due and Sinking Fund Installment, if any, on the Outstanding Bonds, upon presentation and surrender of the requisite Bonds. The Trustee shall take all action necessary to effect the timely redemption of Outstanding Term Bonds from the Principal Account in accordance with the Sinking Fund Installments as described under "The Series 2026 Bonds -- Redemption Provisions – Mandatory Sinking Fund Redemption" in the forepart of this Official Statement.

Redemption Fund *(Section 4.06)*

Upon the Request of the Corporation, the Authority may set aside any available amount on deposit in the Redemption Fund for the redemption of particular Bonds by the delivery of irrevocable written instructions to the Trustee directing the Trustee to set aside such amount for such purpose. Amounts set aside for the redemption of Bonds and investment earnings on such amounts shall be applied to the payment of the interest due on such Bonds on or prior to the redemption date of such Bonds to the extent provided in such instructions.

Available money in the Redemption Fund shall be applied by the Trustee to the purchase or redemption of Bonds of such maturities as the Authority, upon the Request of the Corporation, shall direct.

Investment of Money *(Section 4.07)*

Money in the Interest Account, the Principal Account and the Redemption Fund established pursuant to the Indenture that are held by the Trustee shall be invested by the Trustee as directed in writing by the Authority only in Investment Obligations maturing in such amounts and on such dates as may be necessary to provide money to meet the payments from such funds and accounts.

Subject to certain provisions of the Indenture, interest earned, profits realized and losses suffered by reason of any investment of any of the funds and accounts created by the Indenture shall be credited or charged to the fund or account for which such investment shall have been made. Upon the Request of the Corporation, interest earned from the investment of all or any portion of any money in the Redemption Fund shall be paid from the Redemption Fund to the Interest Account during any period set forth in such Request.

Investments shall be valued at current market value.

Neither the Trustee nor the Authority shall be liable for any depreciation in the value of any obligation in which money of the funds or accounts created by the Indenture shall be invested, or for any loss arising from any permitted investment.

Rebate Fund *(Section 4.08)*

Upon the direction of the Authority, the Trustee shall transfer amounts on deposit in any fund or account created by the Indenture to the Rebate Fund, any other provision of the Indenture to the contrary notwithstanding. Amounts on deposit in the Rebate Fund from time to time required to be paid to the United States of America pursuant to Section 148 of the Code as a rebate or payment in lieu thereof shall be made available by the Trustee to the Authority for such payments upon the written direction of an Authorized Officer of the Authority and shall not be pledged to the payment of the principal or Redemption Price of or interest on any Bonds.

Amendments or Modifications of Indenture and Loan Agreement
(Sections 8.01, 8.02 and 8.04)

Without notice to or the consent of the holders of the Bonds, the Authority and the Trustee may from time to time enter into a Supplemental Indenture supplementing, modifying or amending the Indenture or any Supplemental Indenture for the following purposes, among others: (i) to grant to or confer upon the Trustee for the benefit of the holders of the Bonds any additional rights, remedies, powers, authority or security; (ii) to add to the covenants and agreements of the Authority contained in the Indenture; (iii) to surrender any right, power or privilege reserved to or conferred upon the Authority by the Indenture; (iv) to confirm any pledge of the Revenues; (v) to cure any ambiguity or to cure or correct any defect or inconsistent provisions in the Indenture or to make such provisions in regard to matters or questions arising under the Indenture as may be necessary or desirable and not contrary to or inconsistent with the Indenture; (vi) to permit the qualification of the Indenture or any Supplemental Indenture under any federal statute or state blue sky law; (vii) to obtain or maintain ratings on the Bonds; (viii) to preserve the excludability from gross income for federal income tax purposes of the interest paid on the Bonds theretofore issued; and (ix) to make any other change in the Indenture that shall not prejudice in any material respect the rights of the holders of the Bonds Outstanding at the date as of which such change shall become effective.

With the prior written consent of the holders of a majority of the Outstanding Bonds, a Supplemental Indenture may be adopted modifying any of the provisions of the Indenture, any Supplemental Indenture or any Bond, but no such modification may (i) change any terms of redemption of any Bond or the due date for the payment of principal of or interest on any Bond or make any reduction in the principal, Redemption Price or interest rate on any Bond without the consent of the Holders thereof or (ii) except as expressly permitted by the Indenture, create a claim or lien upon, or a pledge of, the Revenues ranking prior to or on a parity with the claim, lien and pledge created by the Indenture or a reduction in the percentage of Bonds the consent of the Holders of which is required for any modification of the Indenture except with the unanimous consent of the Holders of all Outstanding Bonds.

Without notice to or the consent of the holders of Outstanding Bonds, the Authority may at any time and from time to time enter into any amendment of the Loan Agreement that is (i) required or permitted by the provisions of the Loan Agreement, (ii) required to cure any ambiguity or formal defect or omission therein, (iii) permitted pursuant to the provisions of the Indenture with respect to amendments to the Project, (iv) required to obtain or maintain any ratings on Bonds from any nationally recognized securities rating agency, or (v) not prejudicial in any material respect to the rights of the holders of Outstanding Bonds. Otherwise, the Authority shall not enter into any amendment, change or modification of the Loan Agreement without the prior written consent of the holders of a majority of the Outstanding Bonds at the effective date of such amendment, change or modification.

Enforcement of Loan Agreement and Security Documents *(Section 5.03)*

The Authority shall take reasonable action to cause the Corporation to perform fully all duties and acts and comply fully with the covenants of the Corporation contained in the Loan Agreement and the Security Documents.

The holders of a majority of the Outstanding Bonds shall have the right, by an instrument in writing executed and delivered to the Authority, to direct the method and place of conducting all remedial proceedings to be taken by the Authority under the Loan Agreement or the Security Documents, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Loan Agreement or the Security Documents and shall not be unjustly prejudicial to holders of Bonds not parties to such direction.

Events of Default and Remedies

Events of Default *(Section 7.01)*

Each of the following events constitutes an event of default under the Indenture: (a) payment of the principal of any Bond shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; (b) payment of interest on any Bond shall not be made when the same shall become due and payable; or (c) the Authority shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in any Bond or in the Indenture on the part of the Authority to be performed, which default shall continue for 30 days after Notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the Request of not less than five percent of the holders of the Bonds.

Remedies *(Sections 7.02 and 7.03)*

Upon the happening and continuance of any Event of Default under the Indenture, the Trustee may, and upon the written request of the holders of not less than 25% in aggregate principal amount of the Outstanding Bonds shall, declare the principal of all of the Outstanding Bonds to be due and payable. The Trustee also shall declare the principal of all Outstanding Bonds due and payable upon the written direction of the Authority following the occurrence of any Event of Default under the Loan Agreement or any Security Document. At the expiration of 30 days from the giving of notice of such declaration, such principal shall become and be immediately due and payable anything in the Bonds or in the Indenture to the contrary notwithstanding. The Trustee may annul such declaration under certain circumstances set forth in the Indenture.

Upon the happening and continuance of any Event of Default, the Trustee may proceed, and upon the written request of the holders of not less than 25% of the Outstanding Bonds shall proceed to protect and enforce its rights and the rights of the holders of Bonds under the laws of the State of Maryland and under the Indenture and subject to the terms of the Security Documents.

By the terms of the Indenture, the Corporation is not prohibited from taking any action, to the extent permitted by applicable law, to remedy any Event of Default.

Priority of Payments Following Default *(Section 7.04)*

If at any time there shall have occurred and be continuing an Event of Default, amounts held by the Trustee under the Indenture together with any money thereafter becoming available for such purpose (after payment of all amounts owing to the Trustee under the Indenture) shall be paid to the persons entitled thereto as provided in the following paragraphs (a) and (b):

(a) unless the principal of all Outstanding Bonds shall have become or shall have been declared due and payable, all such money shall be applied:

> FIRST: to the payment to the persons entitled thereto of all installments of interest then due on the Bonds Outstanding, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment of such installment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in such Bonds; and
>
> SECOND: to the payment to the persons entitled thereto of the unpaid principal of any Outstanding Bonds that shall have become due and payable, in the order of the due dates of such Bonds, with interest upon the principal amount of such Bonds from the respective dates upon which they shall have become due and payable and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due and payable on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of interest due on such date, and then to the payment of such principal, ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in such Bonds.

(b) if the principal of all Outstanding Bonds shall have become due by their terms or the principal of all Outstanding Bonds subject to acceleration shall have become due and payable by a declaration of acceleration, all such money shall be applied to the payment of the principal and interest then due and unpaid upon such Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds.

Majority of the Holders May Control Proceedings *(Section 7.06)*

The holders of a majority of the Bonds shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, that the Trustee is indemnified to its satisfaction against costs related to such proceedings and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to holders of the Bonds not parties to such direction.

Restrictions Upon Action by Individual Holders *(Section 7.07)*

No holder of any Bonds shall have any right to institute any suit, action or other proceeding in equity or at law on any Bonds for the execution of any trust under the Indenture or for any other remedy under the Indenture unless (i) such Holder previously shall have given to the Trustee written notice of the Event of Default on account of which such proceeding is to be instituted, (ii) the holders of not less than 25% of the Outstanding Bonds shall have made request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Indenture or to institute such proceeding in its or their name, and (iii) there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time; provided, however, that the Holders of not less than 25% of the Outstanding Bonds may institute any such proceeding in their own names for the benefit of all holders of Outstanding Bonds.

Defeasance *(Section 9.01)*

If the Authority shall pay or cause to be paid the principal or Redemption Price of and interest on all Bonds at the times and in the manner stipulated therein and in the Indenture, all amounts owed and to be owed to the Trustee hereunder shall have been paid or provided for to the satisfaction of the Trustee, then the pledge of any Revenues and other property pledged by the Indenture to the Bonds and all other rights granted by the Indenture to the Bonds shall be discharged and satisfied. In such event, upon the Request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay or deliver to the Authority, or to such officer, board or body as may then be entitled by law to receive the same, all property held by it pursuant to the Indenture (other than any money and securities required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption).

A Bond shall be deemed to have been paid within the meaning of and with the effect expressed in the Indenture if (i) money for the payment or redemption of such Bond shall be held by the Trustee (through deposit by the Authority of money for such payment or redemption or otherwise, regardless of the source of such money), whether at or prior to the maturity or the redemption date of such Bond, or (ii) if the maturity or redemption date of such Bond shall not have arrived, provision shall have been made by the Authority by deposit of money with the Trustee or other method satisfactory to the Trustee of noncallable Government Obligations , the principal of and the interest on which when due will provide sufficient money for such payments and the Authority shall have made provision, satisfactory to the Trustee, for the mailing of notice to the holder of such Bond of a notice that such money are so available for such payment; provided that if such Bond is to be redeemed prior to the maturity thereof, the Authority shall have taken all action necessary to redeem such Bond and notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been made for the giving of such notice.

Anything in the Indenture to the contrary notwithstanding, at the Request of the Authority, any money held by the Trustee in trust for the payment of any of the Bonds which remain unclaimed for three years after the later of the date at which such Bonds became due and payable and the date of deposit of such money, shall be repaid by the Trustee to the Authority or to such officer, board or body as may then be entitled by law to receive such money, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto.

Authority Protected in Acting in Good Faith *(Section 10.06)*

In the exercise of the powers of the Authority and its members, officers, employees and agents under the Indenture, the Loan Agreement or any Security Documents including (without limitation) the application of money, the investment of funds and the pursuit of or failure to pursue any remedy in the event of default by the Corporation, the Authority and its members, officers, employees and agents shall not be accountable to the Corporation, the Trustee or any holder of any Bonds for any action taken or omitted by it or its members, officers, employees and agents in good faith and believed in good faith by it or them to be authorized or within the discretion or rights or powers conferred by the Indenture , the Loan Agreement or the Security Documents.

No recourse shall be had by the Corporation, the Trustee or any holder of any Bonds for any claims based on the Indenture, the Loan Agreement, the Security Documents or on any Bond, against any member, officer, employee or agent of the Authority alleging personal liability on the part of such person unless such claims are based upon the bad faith, fraud or deceit of such person.

Concerning the Trustee

Responsibilities of the Trustee; Indemnification *(Sections 6.02 and 6.03)*

Except as otherwise expressly provided in the Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; or (iii) the application of any money paid to the Authority or others in accordance with the Indenture except as to the application of any money paid to it in its capacity as Trustee. The duties of the Trustee shall be determined by the express provisions of the Indenture, and the Trustee shall not be liable except for the performance of such duties as are specifically set forth in the Indenture and no implied covenants or obligations shall be read into the Indenture against the Trustee. The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under the Indenture except for its own negligence or willful default.

The Trustee shall be under no obligation to institute suit, to undertake any proceeding under the Indenture or to take any steps in the execution of the trusts created thereby or in the enforcement of any rights and powers thereunder until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful default. Nevertheless, the Trustee may take such action without indemnity, and in such case the Authority shall reimburse the Trustee from the Revenues for all costs and expenses properly incurred in connection therewith. If the Authority shall fail to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of the Indenture and shall be entitled to a preference therefor over any Bonds Outstanding under the Indenture.

Resignation and Removal *(Sections 6.08 and 6.09)*

The Trustee may resign and be discharged by giving not fewer than 30 days' Notice, specifying the date when such resignation shall take effect, to the Authority and each holder of any Outstanding Bonds. Such resignation shall take effect upon the appointment of a successor by the Authority or the holders of Bonds as provided in the Indenture and acceptance of such appointment by such successor. The Trustee may be removed at any time by the holders of a majority of the Outstanding Bonds, or so long as no Event of Default shall have occurred and be continuing, by the Authority. The Trustee may also be removed for any breach of trust or for acting, or for failing to act, or proceeding in violation of any provision of the Indenture, by any court upon the application of the Authority or of the holders of not less than ten percent of the Bonds. No removal of the Trustee shall be effective until a successor Trustee shall have been appointed.

Successor Trustee *(Section 6.10)*

If the Trustee shall resign, be removed, be dissolved or become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator shall be appointed for the Trustee's property, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee shall become vacant and a successor Trustee shall be appointed by the Authority. Notwithstanding the foregoing, if the position of Trustee shall become vacant during any period in which an Event of Default shall have occurred and be continuing, then a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the holders of a majority of the Outstanding Bonds. If no appointment of a successor Trustee is made within 45 days after the giving of notice of resignation by any Trustee, or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any holder of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor. Any successor Trustee shall be a commercial bank or trust company or national banking association (i) having a capital and surplus aggregating at least $50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by the Indenture.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement. This is not a complete recital of the terms of the Loan Agreement and reference should be made to it for its complete terms. Words and terms used in this summary shall have the same meaning as in the Loan Agreement, except where otherwise noted.

Amounts Payable; General Obligation *(Sections 3.02 and 3.03)*

The Corporation shall pay when due (i) the total interest becoming due on all Outstanding Bonds to the respective dates of payment thereof, (ii) the total principal amount of the Outstanding Bonds, and (iii) all redemption premiums (if any) payable on the redemption of Outstanding Bonds prior to stated maturity dates. In addition, the Corporation shall pay to the Authority the Annual Administrative Fees and the Administrative Expenditures.

To provide for the payment of the amounts due under the Loan Agreement with respect to the Bonds, the Corporation shall pay to the Trustee (i) on or before each Interest Payment Date, the amount required to be transferred to the Interest Account equal to the accrued and unpaid interest on the Outstanding Bonds on such Interest Payment Date; and (ii) at least fifteen days before each date on which the principal of or any Sinking Fund Installment for any Outstanding Bonds become due, the amount required to be transferred to the Principal Account as described above under "Summary of Certain Provisions of the Indenture -- Deposit of Revenues."

The Loan Agreement is a general obligation of the Corporation and the full faith and credit of the Corporation is pledged to the payments required thereunder.

Federal Tax Exemptions *(Section 5.01)*

The Corporation covenants that (i) it shall take any and all action necessary to maintain the excludability from gross income for federal income tax purposes of the interest on the Bonds and (ii) it shall not perform any act or enter into any agreement, or use or permit the use of the Project or any portion thereof in a manner that shall have the effect of terminating the excludability from gross income for federal income tax purposes of interest on the Bonds, including (without limitation) leasing or selling all or any portion of the Project, contracting with a third party for the use or operation of all or entering into any merger, consolidation or corporate reorganization if entering into such lease, contract, merger, consolidation or corporate reorganization would have such effect.

Limitations on Incurrence of Additional Indebtedness *(Section 5.09)*

The Corporation has the right to issue indebtedness secured on parity with respect to the Joint Collateral ("Additional Parity Indebtedness") subject to its meeting the requirements of the 2020 Loan Agreement and the Loan Agreement. Upon 30 days' prior written notice from the Corporation that it intends to issue any such Additional Parity Indebtedness, the Corporation and the creditor parties to the Intercreditor Agreement shall execute and deliver any and all documents reasonably deemed necessary by the purchaser of such Additional Parity Indebtedness to reflect the fact that such Additional Parity Indebtedness shall be secured by a *pari passu* first priority lien on and security interest in the Joint Collateral, which documents shall become effective simultaneously with the issuance of such Additional Parity Indebtedness.

The terms used in "Additional Debt – Corporation Permitted to Incur Additional Indebtedness" in the forepart of this Official Statement, which terms have been incorporated by reference into the Loan Agreement, are defined as follows:

"**Balloon Indebtedness**" means (a) Indebtedness as to which, when issued, 25% or more of the debt service thereon is due in a single year; (b) Indebtedness as to which, when issued, 25% or more of the original principal amount thereof may, at the option of the holder or registered owner thereof, be redeemed or repurchased at one time, which portion of the principal is not required by the documents pursuant to which such Indebtedness is issued to be amortized by redemption prior to such date; or (c) any Guaranty of Indebtedness that is Balloon Indebtedness.

"Commitment Indebtedness" means the obligation of the Corporation to repay amounts disbursed pursuant to a commitment from a financial institution to refinance when due other Indebtedness (including accrued and unpaid interest thereon) of the Corporation or purchase when tendered for purchase by the holder thereof in accordance with the terms thereof, other Indebtedness (including accrued and unpaid interest thereon) of the Corporation, which other Indebtedness was incurred in accordance with the provisions of this Loan Agreement, plus any fees payable to such financial institution for such commitment and any other expenses (including collection) and indemnification obligations thereunder, including, without limitation, amounts disbursed and fees and expenses payable in connection with any credit facility.

"**Debt Service Requirement**" shall mean, for any period of time, the amounts payable or the payments required to be made in respect of principal and interest on Indebtedness during such period (calculated in such a manner that no portion of Indebtedness is included more than once), taking into account for purposes of calculating any projected debt service requirements (a) that any payments to be made in respect of Balloon Indebtedness and Variable Rate Indebtedness shall be calculated in accordance with the last sentence of this definition; (b) that, with respect to Indebtedness refunded or refinanced during such period, only an amount of principal and interest equal to the principal and interest not payable from the proceeds of Indebtedness shall be taken into account during such period; (c) any amounts payable from funds available under an escrow deposit (other than amounts so payable solely by reason of the obligor's failure to make payments from other sources), or funded from the proceeds of such Indebtedness (*i.e.*, accrued and capitalized interest), shall be excluded from the determination of the Debt Service Requirement; (d) with respect to any credit facility, to the extent there are no outstanding and unpaid draws under such credit facility, the principal of and interest relating to such credit facility shall not be included in Debt Service Requirement; and (e) with respect to any Indebtedness that is hedged pursuant to a Financial Products Agreement, and assuming the provider thereof is not in default, the debt service deemed due with respect to such Indebtedness shall be adjusted to take into the regularly scheduled payments under such Financial Products Agreement. For purposes of this definition, it shall be assumed that (i) the interest rate on Variable Rate Indebtedness is equal to that rate derived from the average interest rate on such indebtedness for the twelve (12) months immediately preceding the month prior to such calculation, or if such indebtedness shall have had a variable rate for less than a twelve (12) month period, the average interest rate on such Indebtedness for such lesser period, (ii) in respect of any proposed tax-exempt indebtedness, the rate that is equal to The Bond Buyer thirty-year Revenue Bond Index, (iii) in respect of any proposed taxable indebtedness, ten year treasury notes plus one percent (1%); and (iv) the principal of Balloon Indebtedness is amortized over a period of 20 years (or, if the actual term of such Balloon Indebtedness exceeds 10 years, over the actual term thereof).

"**Financial Products Agreement**" means any interest rate swap, cap, collar, option, floor, forward or other hedging agreement, arrangement or security, however denominated, identified to the Trustee in a certificate signed by an authorized representative of the corporation as having been entered into by the Corporation with a qualified provider not for investment purposes but with respect to Indebtedness (which Indebtedness shall be specifically identified in the certificate) for the purpose of (a) reducing or otherwise managing the Corporation's risk of interest rate changes or (b) effectively converting the Corporation's interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, or from a variable rate exposure to a fixed rate exposure.

"**Indebtedness**" means (a) all obligations for borrowed money constituting debt under generally accepted accounting principles, including the 2020 Bonds (as defined in the Intercreditor Agreement), the Bonds and all installment sales and conditional sales; and (b) all guaranties. Indebtedness shall not include any obligation incurred by the Corporation in the ordinary course of business (other than those obligations required to be capitalized in its records in accordance with generally accepted accounting principles, except for capital leases), any obligation to contribute to self-insurance, pension or other risk management programs, indemnification obligations incurred with respect to Commitment Indebtedness, or any fees or expenses payable in connection with the incurrence of Indebtedness.

"**Maximum Annual Debt Service**" means, with respect to any Indebtedness, the highest annual Debt Service Requirement in any Fiscal Year during the remaining term of such Indebtedness.

"**Net Revenues Available for Debt Service**" means the Unrestricted Change in Net Assets as shown on the Corporation's audited financial statements, with the following adjustments (i) plus interest expense on all Indebtedness, (ii) plus or minus unrealized and realized gains and losses on investments, (iii) plus depreciation and amortization, and (iv) plus all other non-cash, onetime, and extraordinary items.

"**Non-Recourse Indebtedness**" shall mean any Indebtedness for College Property, which College Property does not secure (a) the Obligations, or (b) other Additional Parity Indebtedness, and which Indebtedness is secured by a lien on such College Property, liability for which is effectively limited to such College Property subject to such lien, with no recourse, directly or indirectly to the Corporation.

"**Subordinate Indebtedness**" means any Indebtedness, the payment of which is either unsecured or secured on a subordinate basis, but which is in any case specifically subordinated to the payment of the Obligations and any Additional Parity Indebtedness.

"**Unrestricted Total Revenues**" means (a) total revenues of the Corporation less (b) any such amounts credited to trustee held funds, reserves, deposits or set asides, including debt service funds, construction funds, reserve funds, self-insurance or captive insurer funds and pension or retirement funds, all as shown on the financial statements of the Corporation with respect to the College Property for the period in question and calculated in accordance with generally accepted accounting principles.

"**Variable Rate Indebtedness**" shall mean any portion of Indebtedness the interest rate on which fluctuates subsequent to the time of incurrence; provided, however, any Indebtedness for which payment obligations do not fluctuate in the aggregate shall not constitute Variable Rate Indebtedness.

Events of Default *(Section 6.01)*

"Events of Default" under the Loan Agreement include, among others: failure by the Corporation to pay when due amounts sufficient to pay the principal or Redemption Price of or interest on any Bonds; failure by the Corporation to pay when due any other payment required to be made under the Loan Agreement, which failure shall continue for a period of 30 days after Notice thereof is given to the Corporation by the Authority; failure by the Corporation to comply with any other of the terms of the Loan Agreement, which failure shall continue for a period of 30 days after Notice thereof shall have been given to the Corporation by the Authority, or for a longer period permitted under the Loan Agreement to cure such failure, unless such failure is due to any cause or event not reasonably within the control of the Corporation, in which case the Corporation shall not be deemed in default during the continuance of its inability to comply due to such cause or event; certain events of insolvency or bankruptcy of the Corporation; loss of federal tax-exempt status for the interest on the Bonds as a result of any action or inaction by the Corporation; and an Event of Default under and as defined in the 2020 Loan Agreement (as defined in the Intercreditor Agreement) or under the Security Documents shall occur and be continuing.

SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT

Defined Terms

In addition to terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in this section of Appendix C to this Official Statement:

"**Trustees**" means U.S. Bank Trust Company, National Association, as trustee for the 2020 Bonds and the Bonds.

"**2020 Bonds**" means the Maryland Health and Higher Educational Authority Revenue Bonds, St. John's College Issue, Series 2020.

"**2020 Loan Agreement**" means the Loan Agreement dated as of July 1, 2020 between the Authority and the Corporation.

"**2020 Indenture**" means the Indenture of Trust dated as of July 1, 2020 between the Authority and U.S. Bank Trust Company, National Association.

"**2020 Obligations**" means the obligations of the Corporation under the 2020 Loan Agreement.

"**2026 Obligations**" means the obligations of the Corporation under the Loan Agreement.

Lien Priorities and Parity Security Interests *(Section 2)*

The Trustees agree at all times that the 2020 Bonds and the Bonds remain outstanding, whether before, during or after the pendency of any bankruptcy, reorganization or other insolvency proceeding, and notwithstanding the priorities that ordinarily would result under the Uniform Commercial Code and other applicable law from the order of granting, perfecting of any security interests or recording a mortgage or financing statements (including, without limitation, purchase money security interests) referred to in the Intercreditor Agreement, that the parties will have the following priorities: (a) The Trustees' security interests in the Joint Collateral will each constitute a *pari passu* first priority lien and security interest in the Joint Collateral; (b) the Joint Collateral will secure the 2026 Obligations and 2020 Obligations equally and ratably; (c) the Trustees each will cooperate to effect the foregoing agreements and, from time to time, will execute such other and further documents, including subordination agreements, assignments of claim, and otherwise as may be necessary or appropriate to implement the provisions of the Intercreditor Agreement.

Exercise of Remedies *(Section 3)*

During the period that the 2020 Bonds and the Bonds remain outstanding: (a) so long as any 2026 Obligations or 2020 Obligations remains unpaid, no Trustee will exercise any remedies with respect to any of the Joint Collateral except as set forth in the Intercreditor Agreement; (b) each Trustee will use commercially reasonable efforts to advise the other Trustee promptly of any event of default with respect to the 2020 Bonds or the Bonds or the documents relating thereto, and will provide back-up documentation reasonably requested by the other Trustee. Upon notice of such default, the Trustees will jointly determine what remedies if any to take against the Joint Collateral in accordance with the 2020 Indenture, the Indenture, the 2020 Loan Agreement, the Loan Agreement and the Security Documents. Notwithstanding the foregoing, each Trustee is permitted to engage in routine collection activities, such as sending out payment default notices (with copies to the Trustee) and making telephonic collection calls to the Corporation in the ordinary course of servicing their respective bonds, without the consent of the other Trustee; and (c) each Trustee may exercise any and all rights they may have against collateral of the Corporation that is not Joint Collateral without the consent of the other Trustee.

Application of Monies *(Section 4)*

During the period that the 2020 Bonds and the Bonds remain outstanding any monies received from the exercise of remedies with respect to Joint Collateral will be applied to the 2020 Obligations and the 2026 Obligations on a *pari passu* basis in proportion to the principal amount of the 2020 Bonds and the Bonds outstanding at the time of such application. If such monies received from the exercise of remedies with respect to Joint Collateral are insufficient to satisfy the 2020 Obligations and the 2026 Obligations, such monies will be divided on a pro-rata basis and applied (a) with respect to the 2020 Obligations, in accordance with Section 7.04 of the 2020 Indenture and (b) with respect to the 2026 Obligations, in accordance with Section 7.04 of the Indenture. Each Trustee agrees that should it receive any monies to which it is not entitled pursuant to the Intercreditor Agreement, it will (unless otherwise restricted or prohibited by law) hold the same in trust for and promptly pay over the same to the appropriate Trustee in accordance with the priorities provided under the Intercreditor Agreement.

Insurance and Condemnation Proceeds *(Section 5)*

During the period that 2020 Bonds and the Bonds remain outstanding, the distribution of insurance and condemnation proceeds will be applied to the 2020 Obligations and the 2026 Obligations on a *pari passu* basis (in proportion to the principal amount of the 2020 Bonds and the Bonds outstanding at the time of such application) and in accordance with the provisions of the Security Documents.

SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGE AND SECURITY AGREEMENT

Defined Terms

In addition to terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in this section of Appendix C to this Official Statement:

For the definition of "**Collateral**," see "Plan of Financing" in the forepart of this Official Statement.

"**Depository**" means financial institution holding moneys or securities constituting Joint Collateral.

"**Financing Documents**" means, collectively, (a) the 2020 Indenture and the 2020 Loan Agreement, and (b) the Indenture and the Loan Agreement and/or any other agreement or instrument executed in connection with the Obligations.

"**Obligations**" means the 2020 Obligations and the 2026 Obligations.

Grant of Security Interest *(Section 3)*

To secure the payment and performance, as the case may be, in full of all the Obligations, the Corporation assigns, transfers, grants, bargains, sells, conveys, hypothecates, pledges, sets over and delivers unto the Trustee and the 2020 Trustee (together, the "Secured Parties"), any successors and assigns, all of the Corporation's rights, title and interest in, and grants to the Secured Parties a continuing security interest (collectively, the "Security Interest") in the Collateral. See "Security and Sources of Payment for the Series 2026 Bonds" in the forepart of this Official Statement.

Events of Default *(Section 7)*

"Events of Default" under the Pledge and Security Agreement include, among others: (a) the occurrence of any "Event of Default," under any of the Financing Documents beyond any applicable grace or cure period; (b) failure by the Corporation either to observe or perform any obligation or agreement contained in the Pledge and Security Agreement beyond any applicable cure period and the same will have a material adverse effect on the Secured Parties rights' under the Pledge and Security Agreement; (c) any representation or warranty made by the Corporation in the Pledge and Security Agreement proves to be incorrect in any material respect at any time and the same will have a material adverse effect on the Secured Parties' rights under the Pledge and Security Agreement; or (d) any attachment or like levy on any material portion of the Collateral which does not constitute a Permitted Lien.

Rights and Remedies Upon an Event of Default *(Section 8)*

Upon the occurrence of any Event of Default under the Pledge and Security Agreement:

(a) The Secured Parties will have the right to declare immediately due and payable all or any Obligations secured by the Pledge and Security Agreement.

(b) The Secured Parties will have all other rights, privileges, powers and remedies granted to a secured party upon default under the applicable Uniform Commercial Code or otherwise provided by law.

(c) The Corporation covenants and agrees to have all Depositories, and each of them, (i) execute an account control agreement with the Secured Parties and (ii) immediately send all Collateral to the Secured Parties for deposit into or credit to the Collateral Account created under the Pledge and Security Agreement. The account control agreement will require that the Depository send all Collateral it receives to the Secured Parties until such time as the Depository is notified in writing by any of the Secured Parties that a default or an Event of Default no longer exists under the Pledge and Security Agreement.

(d) The Secured Parties will be entitled to retain and to apply the Collateral held in the Collateral Account, first, to their reasonable expenses of taking, holding, protecting and maintaining, and preparing for disposition and disposing of, the Collateral, including reasonable attorneys' fees and other legal expenses incurred by it in connection therewith; and second, to the payment of the Obligations in such order of priority as set forth in the Intercreditor Agreement. Any surplus in the Collateral Account remaining after such application will be paid to the Corporation or to whomever may be legally entitled thereto; provided, that in no event will the Corporation be credited with any part of the proceeds of the disposition of the Collateral until such proceeds will have been received in cash by the Secured Party. The Corporation will remain liable for any deficiency.

(e) While an Event of Default exists, at the Secured Parties' request, the Corporation will deliver all books and records pertaining to the Collateral to the Secured Parties at a reasonably convenient place designated by the Secured Parties.

SUMMARY OF CERTAIN PROVISIONS OF THE DEEDS OF TRUST

The following is a summary of certain provisions of the Deeds of Trust. It is not a complete recital of the terms of the Deeds of Trust, and reference should be made to the Deeds of Trust for a complete statement of their terms. Capitalized terms used herein and not defined shall have the meanings given in the Deeds of Trust or the forepart of this Official Statement, except where otherwise noted. As described below under "Release of Santa Fe Deed of Trust" and "Release of Annapolis Deed of Trust," the Deeds of Trust may be released, in full, at the request of the Corporation, from and after the date the Series 2020 Bonds are paid in full, upon the satisfaction of certain conditions. Because there can be no assurance that the Deeds of Trust will remain in effect, prospective holders of the Series 2026 Bonds should not rely on the Deeds of Trust as security for the Series 2026 Bonds.

THE ANNAPOLIS DEED OF TRUST

Defined Terms

"**Borrower's Obligations**" means (a) obligations of the Corporation to make payments with respect to the principal of and interest on the Series 2020 Bonds when and as the same shall become due and payable (whether at the stated maturity thereof, on any installment payment date, by acceleration of maturity, after notice of prepayment or otherwise) as required under the 2020 Loan Agreement; (b) payment and performance of all covenants and obligations of the Corporation under the Annapolis Deed of Trust; (c) payment and performance of the obligations of the Corporation under the 2020 Loan Agreement, the 2020 Indenture, and the other Documents; (d) payment and performance of all Obligations (as such term is defined in the 2020 Loan Agreement and as further defined in the Intercreditor Agreement); (e) obligations of the Corporation to make payments with respect to the principal of and interest on the Series 2026 Bonds when and as the same shall become due and payable (whether at the stated maturity thereof, on any installment payment date, by acceleration of maturity, after notice of prepayment or otherwise) as required under the 2026 Loan Agreement; (f) payment and performance of the obligations of the Corporation under the 2026 Loan Agreement, the 2026 Indenture, and the other Documents; and (g) all modifications, extensions and renewals of any of the obligations secured by the Annapolis Deed of Trust, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or notes.

"Bond Documents" or **"Documents"** means and includes (without limitation) the Series 2020 Bonds, the Series 2026 Bonds, the 2020 Loan Agreement, the 2026 Loan Agreement, the Annapolis Deed of Trust, the Intercreditor Agreement and any and all other documents which the Authority, the Corporation or any other party or parties or their representatives have executed and delivered, or may thereafter execute and deliver to evidence or secure the Issuer's Obligations and the Borrower's Obligations or any part thereof, or in connection therewith, together with all extensions, modifications, renewals, amendments, supplements and substitutions thereto.

"Indebtedness" means all sums of money secured by the Annapolis Deed of Trust.

"Issuer's Obligations" means the obligations of the Issuer under the Series 2020 Bonds, the Series 2026 Bonds, the 2020 Loan Agreement, the 2026 Loan Agreement, and the other Bond Documents to (a) pay the principal of, premium, (if any) and interest on the Series 2020 Bonds and the Series 2026 Bonds, as applicable, when and as the same shall become due and payable (whether at the stated maturity thereof, on any installment payment date, by acceleration of maturity, after notice of redemption or otherwise), (b) pay all other payments (if any) required by the Series 2020 Bonds, the Series 2026 Bonds, the 2020 Loan Agreement, the 2026 Loan Agreement, and the other Bond Documents to be paid by the Authority to the 2020 Bond Trustee or the 2026 Bond Trustee or the Holders, or to others, when and as the same shall become due and payable, and (c) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations and agreements, express or implied, which the Authority is required by the Series 2020 Bonds, the Series 2026 Bonds, the 2020 Loan Agreement, the 2026 Loan Agreement, or any of the other Bond Documents to perform and observe; provided, however, that the Authority's Obligations do not include any obligation to incur any pecuniary liability or any obligation to make any payment from any funds other than from moneys paid to it by or on behalf of the Borrower or any other person (other than the Authority) pursuant to the Bond Documents or as proceeds of any Security.

Grant of Property

Under the Annapolis Deed of Trust, the Corporation grants, bargains, sells and conveys to the trustee named therein (the "MD Deed Trustee"), in trust and grants to U.S. Bank Trust Company, National Association, as trustee for the Series 2020 Bonds and the Series 2026 Bonds, and the Authority (collectively, the "Beneficiary") a security interest (to the extent permitted by the Maryland Uniform Commercial Code) in: all of that real property located in Anne Arundel County, State of Maryland, described on Exhibit A attached to the Annapolis Deed of Trust (the "MD Land"), together with all right, title and interest of the Corporation, including any after-acquired right, title or reversion, in and to the beds of the ways, streets, avenues and alleys adjoining the MD Land; together with all and singular the rights, alleys, ways, tenements, hereditaments, easements, appurtenances, passages, waters, water rights, water courses, riparian rights, liberties, advantages, accessions and privileges now or hereafter appertaining to the MD Property (as hereinafter defined) or any part thereof, including, but not limited to, any homestead or other claim at law or in equity, the reversion or reversions, remainder or remainders thereof, and also all the estate, property, claim, right, title or interest now owned or hereafter acquired by the Corporation in or to the MD Property or any part thereof; together with all improvements, structures, buildings and fixtures now or hereafter erected or placed on the MD Land and all replacements thereof (the "MD Improvements"); together with any and all leases and subleases and all other agreements of any kind which may have been heretofore executed or which may be hereafter executed in connection with, or for, the use and occupancy of the MD Property (or any part thereof) and all extensions, renewals, modifications, amendments, supplements and substitutions, if any, (the "MD Leases"), and the rents, revenue, income, issues, deposits and profits of the MD Property, including, without limitation, all amounts payable and all rights and benefits accruing to the Corporation under the MD Leases, and all personal property which is or which hereafter becomes a "fixture" related to the MD Property under applicable law (the "MD Collateral," and together with the MD Land and the MD Improvements, the "MD Property"); together with any and all judgments, awards of damages (including but not limited to severance and consequential damages), payments, proceeds, settlements or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, in connection with, or in lieu of (a) any taking of the MD Property or any part thereof under the power of eminent domain, either temporarily or permanently, (b) any change or alteration of the grade of any street, and (c) any other injury or damage to, or decrease in value of, the MD Property or any part thereof to the extent of all Indebtedness which may be secured by the Annapolis Deed of Trust at the date of receipt of such award by the beneficiary and of the reasonable counsel fees, costs and disbursements, if any, incurred by the Beneficiary in connection with the collection of such award; any and all payments, proceeds, settlements or other compensation heretofore or hereafter made, including any interest thereon, and the right to receive the same, from any and all insurance policies covering the MD Property or any portion thereof; together with all of the rents, royalties, issues, profits, revenues, income and other benefits of the MD Property, or arising from the use or enjoyment of all or any portion thereof, or from any lease or agreement pertaining thereto, and all right, title and interest of the Corporation in and to, and remedies under, any and all leases and subleases of the MD Property, or any part thereof, both now in existence or hereafter entered into, and all contract rights, accounts receivable and general intangibles growing out of or in connection with such leases and subleases, together with all proceeds thereof; and including, without limitation, all cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder whether such cash or securities are to be held until the expiration of the terms of such leases or are to be applied to one or more of the installments of rent coming due immediately prior to the expiration of such terms reserving in the Corporation a license terminable upon the occurrence of a MD Event of Default (hereinafter defined) to collect and receive the same to have and to hold the MD Property and all other interests described above unto the MD Deed Trustee, in fee simple, subject, however, to certain encumbrances permitted under the Annapolis Deed of Trust.

Assignment of Leases and Rents

The Corporation assigns to the Beneficiary all of the Corporation's right, title and interest in, to and under: (a) all MD Leases, whether now existing or entered into after the date hereof; and (b) the rents, revenue, income, issues, deposits and profits of the MD Property, including, without limitation, all amounts payable and all rights and benefits accruing to the Corporation under the MD Leases (the "MD Payments"). The term "MD Leases" shall also include all guarantees of and security for the lessees' performance thereunder, and all amendments, extensions, renewals or modifications thereto which are permitted under the Annapolis Deed of Trust. So long as no MD Event of Default (as defined below) shall have occurred, the Corporation will have a license, terminable by the Beneficiary upon the occurrence of a MD Event of Default, to collect upon, but not prior to accrual, all rents, income and profits of the MD Property and to hold such rents, income and profits of the MD Property in trust for the MD Deed Trustee. Each month, upon the Corporation's compliance with all of the Borrower's Obligations (as defined in the Annapolis Deed of Trust), the Corporation may retain the rents, income and profits of the MD Property collected that month and held in trust for the MD Deed Trustee free and clear of such trust. Upon the occurrence of a MD Event of Default, the license granted to the Corporation shall be automatically and immediately revoked without notice to the Corporation. Upon the revocation of such license, the MD Deed Trustee shall notify all tenants under the MD Leases that the MD Deed Trustee will thereafter collect all rents, income and profits of the MD Property directly and not through the Corporation.

Release of Annapolis Deed of Trust

The Corporation may request that the Annapolis Deed of Trust be released from and after the date on which the Series 2020 Bonds are no longer Outstanding under the 2020 Indenture (whether by redemption, defeasance, or otherwise), provided that, at such time, the Corporation has presented evidence that it then maintains an "A-" category rating or better with each Rating Agency then rating the Series 2026 Bonds. Upon satisfaction of the foregoing conditions, the Beneficiary shall deliver to the Corporation such documents as are reasonably necessary to effectuate the release of the Annapolis Deed of Trust.

Partial Release of MD Property or MD Collateral

The Corporation may request that any portion of the MD Property, MD Leases, or MD Collateral be discharged and released from and reconveyed to the Corporation free and clear of the lien the Annapolis Deed of Trust pursuant to, and upon the Corporation's satisfaction of the conditions set forth in the 2016 Loan Agreement. When the MD Property has been fully released, the last such release will operate as a reassignment of all future rents, issues and profits of the MD Property to the person or persons legally entitled thereto.

Default

Any one or more of the following events will be deemed an "Event of Default" under the Annapolis Deed of Trust (collectively referred to as the "MD Event of Default"):

(a) an Event of Default occurs under any of the other Documents;

(b) the Corporation fails to fully and promptly perform, comply with or observe any of the terms, covenants or agreements contained in the section related to tax and an insurance escrow of the Annapolis Deed of Trust;

(c) the Corporation fails to fully and promptly perform, comply with or observe any other term, covenant or agreement contained in the Annapolis Deed of Trust, and such failure remains unremedied for thirty (30) days after notice thereof is given to the Corporation by the Beneficiary, provided, however, that if such failure cannot be cured within such 30-day period, then failure by the Corporation to commence the curing thereof within such 30-day period and diligently to prosecute such curing to completion within a reasonable time, as determined by the Beneficiary in its sole judgment, thereafter, but in no event more than sixty (60) days thereafter;

(d) any representation or warranty of the Corporation contained in the Annapolis Deed of Trust proves to be untrue or misleading in any material respect as of the time made; or

(e) any materially adverse execution or attachment is levied against the MD Property, or any part thereof, and such execution or attachment is not set aside, discharged, bonded against, or stayed within 30 days after the same is levied.

Rights and Remedies

Upon the occurrence of a MD Event of Default, the Beneficiary, or the MD Deed Trustee at the direction of the Beneficiary, may at any time thereafter exercise any of the following powers, privileges, discretions, rights and remedies in addition to the powers, privileges, discretions, rights and remedies available to the Beneficiary (including, without limitation, acceleration of maturity) under the other Documents:

(a) The MD Deed Trustee may take possession of and sell the MD Property, or any part thereof requested by the Beneficiary to be sold, subject to any lease of all or any part of the MD Property which the MD Deed Trustee or the Beneficiary elect to maintain and so advertise in accordance with Maryland law or any substitutions or replacements thereto. Upon the applicable requirements for such sale being complied with, the MD Deed Trustee will convey to the purchaser or purchasers (at their expense) the interest of the Corporation in the MD Property so sold, free and discharged of and from all estate, title or interest of the Corporation, at law or in equity, such purchaser or purchasers being discharged from all liability to see to the application of the purchase money.

(b) As a matter of right and to the extent permitted by law, upon application to a court of competent jurisdiction, the Beneficiary shall be entitled to the immediate appointment of a receiver for all or any part of the MD Property, and of the rents, income, profits, issues and proceeds thereof and therefrom, whether such receivership be incidental to a proposed sale of the MD Property or otherwise, and the College consents to the appointment of such a receiver.

(c) To the extent permitted by law, the Beneficiary or the MD Deed Trustee, on behalf of the Beneficiary, may enter upon, and take possession of (and the Corporation shall surrender actual possession of), the MD Property or any part thereof, without notice to the Corporation and without bringing any legal action or proceeding, or, if necessary by force, legal proceedings, ejectment or otherwise, and may remove and exclude the Corporation and its agents and employees and all other persons therefrom, and having and holding the same may make all necessary or proper repairs, replacements and useful or required alterations, additions, betterments or improvements to or upon the same, and operate, maintain, control, make secure, and preserve the same and receive all earnings, income, rents (including rents accrued and unpaid), and proceeds accruing with respect thereto or any part thereof, such earnings, income, profits, rents and proceeds being assigned to the Beneficiary as additional security for the repayment of the Indebtedness. In so doing, the Beneficiary or the MD Deed Trustee shall have the right to manage the MD Property, and if so licensed, to carry on the business of the Corporation and may exercise all of the rights and powers of the Corporation, including, but without limiting the generality of the foregoing, the right to lease the MD Property or any part thereof, to cancel, modify, renew or extend any MD Lease or sublease of the MD Property or any part thereof, to complete the construction of any unfinished improvements, to pay, settle or compromise any bills, claims, or liens incurred in connection with the MD Property, to prosecute or defend any action or proceeding in connection therewith, to execute such applications and certificates as may be required by any governmental authority or any agreement by the Corporation and to perform any other act and to execute and deliver all documents and instruments as may be appropriate for such purposes, and to use any funds made available therefor to pay the cost thereof.

The Beneficiary, with or without resort to judicial process, may take such steps as the Beneficiary deems appropriate to protect the MD Property from depredation or injury, including (without limitation) employment of watchmen or other protective services, and any expenses incurred by the Beneficiary in taking such steps shall be secured by the Annapolis Deed of Trust and shall be paid by the Corporation as provided in the Annapolis Deed of Trust.

(d) The Beneficiary may proceed under the Maryland Uniform Commercial Code as to all or any part of the MD Collateral and any other security granted under the Annapolis Deed of Trust and in conjunction therewith, to exercise all of the rights, remedies and powers of a secured party under the Maryland Uniform Commercial Code, including, without limitation, taking possession of the MD Collateral and other security without judicial process pursuant to the Maryland Uniform Commercial Code to the extent permitted thereby. Upon the occurrence of any MD Event of Default under the Annapolis Deed of Trust, the College shall assemble all of the MD Collateral and such other security and make the same available within the MD Property or at any other location designated by the Beneficiary and reasonably convenient to the Beneficiary and the Corporation.

Application of Foreclosure Sale Proceeds

The proceeds of any foreclosure sale will be applied first, to pay all costs, charges and expenses attending the execution of the Annapolis Deed of Trust; second, to pay all other of the Indebtedness (as defined in the Annapolis Deed of Trust) and the Borrower's Obligations, which shall include interest through the date of ratification of the auditor's account, in such order and manner as the Beneficiary, in its sole discretion, may determine; and lastly, to pay the surplus, if any, to the Corporation or any person entitled thereto upon surrender and delivery to the purchaser or purchasers of the MD Property, and less the costs, if any, of obtaining possession.

THE SANTA FE DEED OF TRUST

Defined Terms

"Secured Obligations" means (a) payment and performance of all covenants and obligations of the Corporation under the Santa Fe Deed of Trust; (b) payment and performance of all obligations under the 2020 Loan Agreement and the 2020 Indenture, the 2026 Loan Agreement and the 2026 Indenture, and certain rights of the Authority under and related to the Indenture and the Loan Agreement; and (d) all modifications, extensions and renewals of any of the obligations secured by the Santa Fe Deed of Trust, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates, or both, as the case may be, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or notes.

"2020 College Loan Documents" means the Loan Agreement, the Indenture, the Series 2020 Bonds, the Security Documents and any tax certificate or agreement delivered by the Corporation in connection with the Series 2020 Bonds.

"2026 College Loan Documents" means the Loan Agreement, the Indenture, the Series 2026 Bonds, the Security Documents and any tax certificate or agreement delivered by the Corporation in connection with the Series 2026 Bonds.

Grant of Property

Under the terms of the Santa Fe Deed of Trust, the Corporation grants, bargains, sells and conveys to the trustee named in such Santa Fe Deed of Trust (the "NM Deed Trustee") for the benefit of U.S. Bank Trust Company, National Association, as successor trustee for the Series 2020 Bonds and as trustee for the Series 2026 Bonds (the "Trustee"), all of that real property located in the County of Santa Fe, State of New Mexico, described on Exhibit A attached to the Santa Fe Deed of Trust, together with the NM Secured Collateral (as hereinafter defined) together with all right, title, interest, and privileges of the Corporation in and to all development rights or credits, air rights, and all minerals, oil and gas, and other hydrocarbon substances in, on or under the real property, and all appurtenances, easements, rights and rights of way appurtenant or related thereto; all buildings, other improvements and fixtures now or hereafter located on the real property, including, but not limited to, all apparatus, equipment, and appliances used in the operation or occupancy of the real property, it being intended by the parties that all such items will be conclusively considered to be a part of the real property, whether or not attached or affixed to the real property (the "NM Improvements"); all right, title and interest of the Corporation in any street, road, alley or other public right of way adjacent to the real property described on Exhibit A attached to the Santa Fe Deed of Trust, whether open, proposed or vacated; all rents, income, receipts, revenues, issues and profits of and from said real property, whether the same are attributable to or collected before or after any NM Default (as hereinafter defined); any and all governmental or quasi-governmental licenses, permits or approvals which relate to the development, use or operation of or otherwise relate to said real property; all awards and payments, including interest thereon, resulting from any public or private condemnation or taking of, casualty or injury to, or decrease in the value of, any of the property interests encumbered by the Santa Fe Deed of Trust; all water and water rights, wells and well rights, canals and canal rights, ditch and ditch rights and reservoirs and reservoir rights appurtenant to or associated with said real property, whether decreed or undecreed, tributary, non-tributary, or not non-tributary, surface or underground, or appropriated or unappropriated, and together with any and all shares of stock in water, ditch, lateral and canal companies, well permits and all other evidences of any such rights; and all rights under any condominium declaration and in and to any joint use cost sharing agreement for recreational facilities or other facilities affecting the real property; any and all contracts for sale of condominium units, together with any and all deposits paid under such contracts; all interest or estate which the Corporation may hereafter acquire in the property described above, and all additions and accretions thereto, and the proceeds of any of the foregoing; (all of the foregoing being collectively referred to as the “NM Trust Property”).

Assignment of Leases and Rents

The Corporation has assigned to the Trustee all of the Corporation’s right, title and interest in, to and under: (a) all leases and subleases of the NM Trust Property or any portion thereof, and all other agreements of any kind relating to the use or occupancy of the NM Trust Property or any portion thereof, whether now existing or entered into after the date hereof (the “NM Leases”); and (b) the rents, revenue, income, issues, deposits and profits of the NM Trust Property, including, without limitation, all amounts payable and all rights and benefits accruing to the Corporation under the NM Leases (the “NM Payments”). The term “NM Leases” will also include all guarantees of and security for the lessees’ performance thereunder, and all amendments, extensions, renewals or modifications thereto which are permitted by the Santa Fe Deed of Trust.

Grant of License

The Trustee has conferred upon the Corporation a license (the “NM License”) to collect and retain the NM Payments. Upon a NM Default, the NM License will be automatically revoked and the Trustee may collect and apply the NM Payments to the Secured Obligations.

Security Interest

The Corporation has granted and assigned to the Trustee a security interest in all of the following described personal property in which the Corporation has or will have any interest (collectively, the “NM Secured Collateral”): The NM Trust Property; the NM Leases, the NM Payments, and all personal property which is or which will become a “fixture” related to the NM Trust Property under applicable law.

Release of Santa Fe Deed of Trust

The Corporation may request that the Santa Fe Deed of Trust be released from and after the date on which the Series 2020 Bonds are no longer Outstanding under the 2020 Indenture (whether by redemption, defeasance, or otherwise), provided that, at such time, the Corporation has presented evidence that it then maintains an "A-" category rating or better with each Rating Agency then rating the Series 2026 Bonds. Upon satisfaction of the foregoing conditions, the Trustee shall deliver to the Corporation such documents as are reasonably necessary to effectuate the release of the Santa Fe Deed of Trust. From and after the date the Santa Fe Deed of Trust is released, the NM Trust Property, the NM Leases, the NM Payments, and the NM Secured Collateral shall no longer be collateral for the payment and performance of the Corporation's obligations under the 2026 Loan Agreement or the 2026 Indenture.

Partial Release of NM Trust Property or NM Secured Collateral

The Corporation may request that any portion of the NM Trust Property, NM Leases, or NM Secured Collateral be discharged and released from and reconveyed to the Corporation free and clear of the lien the Santa Fe Deed of Trust pursuant to, and upon the Corporation's satisfaction of the conditions set forth in the 2016 Loan Agreement. When the NM Trust Property has been fully released, the last such release will operate as a reassignment of all future rents, issues and profits of the NM Trust Property to the person or persons legally entitled thereto.

Default

Any one or more of the following events will be deemed a "Default" under the Santa Fe Deed of Trust (collectively, the "NM Default"):

(a) at the Trustee's option, the failure of the Corporation to make any payment of principal or interest with respect to the Series 2020 Bonds or the Series 2026 Bonds under the 2020 Loan Agreement and the 2026 Loan Agreement, as applicable, or to pay any other amount due under the Santa Fe Deed of Trust, the 2020 Loan Agreement or the 2026 Loan Agreement when the same is due and payable and such failure continues for five (5) days after such date, whether at maturity, by acceleration or otherwise;

(b) the failure of the Corporation to perform any material non-monetary obligation under the Santa Fe Deed of Trust, or the failure to be true in any material respect of any representation or warranty of the Corporation contained in the Santa Fe Deed of Trust and the continuance of such failure for thirty (30) days after notice, or within any longer grace period allowed in the 2020 Loan Agreement or the 2026 Loan Agreement;

(c) the occurrence of any due on sale or encumbrance event described in the Santa Fe Deed of Trust; or

(d) the existence of any uncured Event of Default as defined in the 2020 Loan Agreement and the 2026 Loan Agreement.

Rights and Remedies

At any time after NM Default, the Trustee will have all of the following rights and remedies:

(a) With or without notice, to declare all Secured Obligations immediately due and payable.

(b) With or without notice, and without releasing the Corporation from any Secured Obligations or becoming a mortgagee in possession, to cure any breach or NM Default of the Corporation and, in connection therewith, to enter upon the NM Trust Property and do such acts and things as the Trustee deems necessary or desirable to protect the security of the Santa Fe Deed of Trust, including, without limitation: (i) to appear in and defend any action or proceeding purporting to affect the security of the Santa Fe Deed of Trust or the rights or powers of the Trustee or the NM Deed Trustee under the Santa Fe Deed of Trust; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of the Trustee, is or may be senior in priority to the Santa Fe Deed of Trust, the judgment of the Trustee being conclusive as between the parties to the Santa Fe Deed of Trust; (iii) to obtain insurance; (iv) to pay any premiums or charges with respect to insurance required to be carried under the Santa Fe Deed of Trust; or (v) to employ counsel, accountants, contractors and other appropriate persons.

(c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose the Santa Fe Deed of Trust as a mortgage or to obtain specific enforcement of the covenants of the Corporation under the Santa Fe Deed of Trust, and the Corporation agrees that such covenants will be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under the corresponding subparagraph in the Santa Fe Deed of Trust, the Corporation will waive the defense of laches and any applicable statute of limitations.

(d) To apply to a court of competent jurisdiction for and obtain appointment of a receiver of the NM Trust Property as a matter of strict right and without regard to the adequacy of the security for the repayment of the Secured Obligations, the existence of a declaration that the Secured Obligations are immediately due and payable, or the filing of a notice of default, or the commencement of a foreclosure, and the Corporation agrees to consent to such appointment by a court of competent jurisdiction upon *ex parte* application, and without notice. Such receiver and his agents will be empowered (i) to take possession of the NM Trust Property and any businesses conducted by the Corporation or other person thereon and any business assets used in connection therewith and, if the receiver deems it appropriate, to operate the same, (ii) to exclude the Corporation and the Corporation's agents, servants, and employees from the NM Trust Property, (iii) to collect all NM Payments and the rents, issues, profits, and income from the NM Trust Property, (iv) to complete any construction which may be in progress, (v) to do such maintenance and make such repairs and alterations as the receiver deems necessary, (vi) to use all stores of materials, supplies, and maintenance equipment on the NM Trust Property and replace such items at the expense of the receivership estate, (vii) to pay all taxes and assessments against the NM Trust Property and the NM Secured Collateral, all premiums for insurance thereon, all utility and other operating expenses, and all sums due under any prior or subsequent encumbrance, and (viii) generally to do anything which the Corporation could legally do if the Corporation were in possession of the NM Trust Property. All expenses incurred by the receiver or his agents will constitute a part of the Secured Obligations.

(e) To enter upon, possess, manage and operate the NM Trust Property, to take and possess all documents, books, records, papers and accounts of the Corporation or the then owner of the NM Trust Property, to make, terminate, enforce or modify the NM Leases of the NM Trust Property upon such terms and conditions as the Trustee deems proper, to make repairs, alterations and improvements to the NM Trust Property as necessary, in NM Deed Trustee's or Trustee's sole judgment, to protect or enhance the security of the Santa Fe Deed of Trust. The Trustee may also take possession of any and all NM Payments that may previously have been collected by the Corporation or on behalf of the Corporation and that remain in the possession or control of the Corporation, whether or not commingled with other funds of the Corporation, and together with any bank or similar accounts in which such NM Payments may be deposited or held.

(f) Notwithstanding the availability of legal remedies, the right to obtain specific performance, mandatory or prohibitory injunctive relief, or other equitable relief requiring the Corporation to cure or refrain from repeating any default.

(g) With or without accelerating the maturity of the Secured Obligations, sue from time to time for any payment due under any of the 2020 College Loan Documents or the 2026 College Loan Documents or for money damages resulting from the Corporation's default under any of the 2020 College Loan Documents or the 2026 College Loan Documents.

(h) Foreclose the Santa Fe Deed of Trust, by way of a trustee's sale pursuant to the provisions the New Mexico Deed of Trust Act, §48-10-1, et seq., N.M.S.A. (1978), as amended from time to time, or similar provision of N.M.S.A. related to foreclosure, as currently in effect, as amended, or in any other manner then permitted by law. If the Santa Fe Deed of Trust encumbers more than one parcel of real estate, foreclosure may be by separate parcel or <u>en masse</u>, as the Trustee may elect in its sole discretion. All fees, costs and expenses of any kind incurred by the Trustee in connection with foreclosure of the Santa Fe Deed of Trust, including, without limitation, the costs of any appraisals of the NM Trust Property obtained by Trustee, all costs of any receivership for the NM Trust Property advanced by the Trustee, and all attorneys' and consultants' fees incurred by the Trustee, will constitute a part of the Secured Obligations and may be included as part of the amount owing from the Corporation to the Trustee at any foreclosure sale.

(i) To resort to and realize upon the security under Santa Fe Deed of Trust and any other security held by the Trustee concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, and to apply the proceeds received upon the Secured Obligations all in such order and manner as the Trustee determines in its sole discretion.

(j) Upon sale of the NM Trust Property at any judicial or non-judicial foreclosure, the Trustee may bid (as determined by the Trustee in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such bid, to the extent permitted by laws, the Trustee may, but is not obligated to, take into account any of the following: (i) appraisals of the NM Trust Property as may be discounted or adjusted by the Trustee in its sole and absolute underwriting discretion; (ii) expenses and costs incurred by the Trustee with respect to the NM Trust Property prior to foreclosure; (iii) expenses and costs which the Trustee anticipates will be incurred with respect to the NM Trust Property after foreclosure, but prior to resale; (iv) declining trends in real property values generally and with respect to similar properties; (v) anticipated discounts upon resale of the NM Trust Property as a distressed or foreclosed property; (vi) the fact of additional collateral (if any), for the Secured Obligations; and (vii) any other factors or matters that the Trustee (in its sole and absolute discretion) deems appropriate.

(k) Upon completion of any foreclosure or trustee's sale of all or a portion of the NM Trust Property, commence an action to recover any of the Secured Obligations that remain unpaid or unsatisfied.

(l) If the NM Trust Property is sold at a foreclosure sale following a court ordered judicial sale, the redemption period following such sale will be one (1) month instead of nine (9) months as provided in §39-5-19 N.M.S.A. (1978). If the NM Trust Property is sold at a trustee's sale, the Corporation will have no right of redemption; however, the redemption period for any junior encumbrances entitled to redeem the NM Trust Property will be one (1) month instead of nine (9) months as provided in §39-5-18 N.M.S.A. (1978).

(m) If the NM Trust Property consists of agricultural real property, the Corporation may be dispossessed of the NM Trust Property and all crops growing on the NM Trust Property, that all such crops may be harvested and retained by the Trustee in conjunction with the Trustee's exercise of rights and remedies, regardless of when the Trustee has commenced a foreclosure suit or other remedy.

Application of Foreclosure Sale Proceeds

The proceeds of any foreclosure sale will be applied first to the fees and expenses of the NM Deed Trustee or other officer conducting the sale, and then to the reduction or discharge of the Secured Obligations; any surplus remaining will be paid over to the Corporation.

Application of Other Sums

Except for the proceeds from a foreclosure, which will be applied as described above, all sums received by the Trustees under the NM Default or NM Payment provisions of the Santa Fe Deed of Trust, less costs and expenses incurred by the Trustee or any receiver pursuant to such NM Default or NM Payment provisions, will be applied to payment of the Secured Obligations. However, the Trustee will have no liability for funds it has not actually received.

PROPOSED FORM OF OPINION OF BOND COUNSEL FOR THE SERIES 2026 BONDS

[CLOSING DATE]

Maryland Health and Higher
Educational Facilities Authority
Baltimore, Maryland

Members of the Authority:

As Bond Counsel to Maryland Health and Higher Educational Facilities Authority (the "Authority") in connection with the issuance by the Authority of its $________ Revenue Bonds, St. John's College Issue, Series 2026 (the "Bonds"), as special obligations of the Authority, we have examined:

(i) Sections 10-301 through 10-356 of the Economic Development Article of the Annotated Code of Maryland (2024 Replacement Volume and 2025 Supplement), as amended (the "Act");

(ii) the Indenture of Trust dated as of [September] 1, 2026 by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Indenture");

(iii) the Loan Agreement dated as of [September] 1, 2026 (the "Loan Agreement"), by and between the Authority and St. John's College (the "Corporation");

(iv) the form of Bond;

(v) relevant provisions of the Constitution and laws of the State of Maryland;

(vi) relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"); and

(vii) other proofs submitted to us relative to the issuance and sale of the Bonds.

The terms of the Bonds are contained in the Indenture and the Bonds.

In rendering this opinion, (a) we have relied on the Tax and Section 148 Certificate and Agreement of the Corporation dated this date made on behalf of the Corporation by officers thereof with respect to certain material facts within the knowledge of the Corporation and (b) we are assuming, without independent investigation, the correctness of the opinions of Gallagher LLP dated this date as to, among other things, the tax-exempt status of the Corporation, in each case without investigation.

We have made no investigation of, and are rendering no opinion regarding, the title to, liens on or security interests in real or personal property.

Based upon the foregoing, it is our opinion that, under existing statutes, regulations and decisions:

(a) The Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Authority and, assuming the due authorization, execution and delivery thereof by the other parties thereto, the Indenture and the Loan Agreement constitute the valid and binding obligations of the Authority.

(b) The Authority is duly authorized and entitled to issue the Bonds. Bonds executed and authenticated as provided in the Indenture have been duly and validly issued and constitute valid and binding special obligations of the Authority payable solely from Revenues (as defined in the Indenture) and other amounts pledged to such payment under the Indenture.

(c) The Indenture, the Loan Agreement and the Bonds are subject to bankruptcy, insolvency, moratorium, reorganization and other state and federal laws affecting the enforcement of creditors' rights and to general principles of equity, and enforceability of the indemnification provisions of the Loan Agreement may be limited by applicable public policy.

(d) By the terms of the Act and the Indenture, the Bonds do not constitute a debt or liability of the State of Maryland, of any political subdivision thereof or of the Authority. None of the State of Maryland, any political subdivision thereof or the Authority shall be obligated to pay the Bonds or the interest thereon except from the Revenues and other amounts pledged to the payment of the Bonds under the Indenture. Neither the faith and credit nor the taxing power of the State of Maryland, of any political subdivision thereof or of the Authority is pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds does not directly or indirectly or contingently obligate, morally or otherwise, the State of Maryland, any political subdivision thereof or the Authority to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Authority has no taxing power.

(e) By the terms of the Act, the interest on the Bonds, the transfer of the Bonds and any income derived from the Bonds, including profits made in their sale or transfer, are exempt from all Maryland state and local taxes; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Bonds, their transfer or the income therefrom.

(f) Assuming compliance with the covenants referred to herein, interest on the Bonds is excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Bonds in order for interest on the Bonds to remain excludable from gross income for federal income tax purposes, including restrictions that must be complied with throughout the term of the Bonds. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Bonds; (iii) a requirement that all or a portion of the aggregate principal amount of the Bonds, when increased by the total amount of outstanding "nonhospital bonds" (within the meaning of Section 145 of the Code) of any 501(c)(3) organization which is a "test-period beneficiary" (within the meaning of the Code) with respect to the Bonds, may not exceed $150,000,000; and (iv) other requirements applicable to the use of the proceeds of the Bonds and the facilities financed or refinanced with proceeds of the Bonds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Authority and the Corporation have made certain covenants regarding actions required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(g) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. Interest on the Bonds will be part of adjusted financial statement income, fifteen percent of which is included in the computation of the corporate alternative minimum tax imposed on applicable corporations. Interest income on the Bonds will be includable in the applicable taxable base for the purposes of determining the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

No opinion is expressed as to the effect on the excludability of interest on the Bonds from gross income for federal income tax purposes of any action that must be preceded by the delivery of a Favorable Opinion of Bond Counsel (as defined in the Indenture) in accordance with the Indenture.

We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change this opinion after the date hereof. This opinion is limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated.

Very truly yours,

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the Authority, the Corporation and the Underwriter believe to be reliable, but none of the Authority, the Corporation or the Underwriter takes any responsibility for the accuracy thereof.

The Depository Trust Company

The Depository Trust Company, New York, New York ("DTC" or, together with any successor securities depository for the Series 2026 Bonds, the "Securities Depository"), will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate of the Series 2026 Bonds will be issued for each maturity of the Series 2026 Bonds in principal amount equal to the aggregate principal amount of the Series 2026 Bonds of such maturity and will be deposited with DTC or its agent.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of United States and non-United States equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both United States and non-United States securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Ownership of Series 2026 Bonds

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of their transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. *Beneficial Owners will not receive certificates representing their ownership interests in the Series* 2026 *Bonds except in the event that use of the book-entry only system for the Series* 2026 *Bonds is discontinued under the circumstances described below under "Discontinuance of Book-Entry Only System."*

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct and Indirect Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults and proposed amendments to the security documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

So long as a nominee of DTC is the registered owner of the Series 2026 *Bonds, references herein to the Bondholders or the holders or owners of the Series* 2026 *Bonds shall mean DTC and shall not mean the Beneficial Owners of the Series* 2026 *Bonds. The Authority and the Trustee will recognize DTC or its nominee as the holder of all of the Series* 2026 *Bonds for all purposes, including the payment of the principal or Redemption Price of and interest on, and the purchase price of, the Series* 2026 *Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to or on behalf of the Bondholders under the Resolution. Neither the Authority nor the Trustee will have any responsibility or obligation to Direct or Indirect*

Participants or Beneficial Owners with respect to payments or notices to Direct or Indirect Participants or Beneficial Owners.

Payments on and Redemption or Purchase of Series 2026 Bonds

So long as the Series 2026 Bonds are held by DTC under a book-entry system, principal and interest payments on the Series 2026 Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding information from the Trustee on the applicable payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

So long as the Series 2026 Bonds are held by DTC under a book-entry only system, the Trustee will send any notice of redemption or purchase with respect to the Series 2026 Bonds only to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. Any failure of DTC to advise any Direct Participant, or of any Direct Participant to notify any Indirect Participant or of any Direct or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the proceedings for the redemption or purchase of the Series 2026 Bonds or of any other action premised on such notice. If fewer than all of the Series 2026 Bonds of any one maturity are selected for redemption or purchase, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed or purchased, except as otherwise directed by the Authority.

None of the Authority, the Trustee, the Underwriter or the Corporation can give any assurances that DTC or the Direct or Indirect Participants will distribute payments of the principal or Redemption Price of and interest on or the purchase price of the Series 2026 Bonds paid to DTC or its nominee, as the registered owner of the Series 2026 Bonds, or any redemption, purchase or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

Discontinuance of Book-Entry Only System

DTC may discontinue its services as a securities depository for the Series 2026 Bonds at any time by giving reasonable notice to the Authority, the Corporation and the Trustee, or the Authority may discontinue use of the system of book-entry transfers through DTC. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 Bonds are required to be printed and delivered in fully certificated form to the Participants shown on the records of DTC provided to the Trustee or, to the extent requested by any Participant, to the Beneficial Owners of the Series 2026 Bonds shown on the records of such Participant provided to the Trustee.

The Authority may also discontinue its maintenance of the Series 2026 Bonds under the book-entry system, issue replacement Series 2026 Bonds directly to the Participants or, to the extent requested by any Participant, to the Beneficial Owners of such Series 2026 Bonds, and shall make provisions to notify Participants and the Beneficial Owners of the Series 2026 Bonds of the same. In such event, the Authority shall promptly have prepared Bonds in certificated form registered in the names of the Participants as shown on the records of DTC provided to the Trustee or, to the extent requested in writing by any Participant, in the names of the beneficial owners of such Series 2026 Bonds shown on the records of such Participant provided to the Trustee, as provided in the Indenture.

Registration and Exchange of Series 2026 Bonds

So long as the Series 2026 Bonds are maintained under a book-entry system, transfers of ownership interests in the Series 2026 Bonds will be made as described above under "Book-Entry Only System." If the book-entry only system is discontinued, any Series 2026 Bond may be exchanged for an equal aggregate principal amount of Series 2026 Bonds of the same maturity and bearing interest at the same rate of other authorized denominations, and the transfer of any Series 2026 Bond may be registered, upon presentation and surrender of such Bond at the designated office of the Trustee, together with an assignment duly executed by the registered owner or his attorney or legal representative. The Authority and the Trustee may require the person requesting any such exchange or transfer to reimburse them for any tax or other governmental charge payable in connection therewith. Neither the Authority nor the Trustee shall be required to register the transfer of any Series 2026 Bond or make any such exchange of any Series 2026 Bond during the 15 days preceding the date of mailing of any notice of redemption or purchase or after such Series 2026 Bond or any portion thereof has been selected for redemption or purchase.

APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "**Disclosure Certificate**"), dated as of September 1, 2026, is executed and delivered by St. John's College (the "**College**") in connection with the issuance by the Maryland Health and Higher Educational Facilities Authority (the "**Authority**") of its Revenue Bonds St. John's College Issue Series 2026 (the "**Series 2026 Bonds**") pursuant to the Indenture of Trust, dated as of September 1, 2026 (the "**Indenture**"), between the Authority and U.S. Bank Trust Company, National Association, as trustee, as supplemented or amended from time to time. The College covenants and agrees as follows:

SECTION 1. **<u>Purpose of the Disclosure Certificate</u>**. This Disclosure Certificate is being executed and delivered by the College for the benefit of the Beneficial Owners (defined below) of the Series 2026 Bonds and in order to assist the Underwriter (defined below) in complying with the Rule (defined below). The College acknowledges that the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Certificate, and has no liability to any person, including any Beneficial Owner, with respect to the Rule.

SECTION 2. **<u>Definitions</u>**. In addition to the definitions set forth in the Indenture which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

"**Annual Report**" means any Annual Report provided by the College pursuant to this Disclosure Certificate and the Rule.

"**Beneficial Owner**" means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2026 Bonds for federal income tax purposes.

"**Debt Obligation**" means a debt obligation, lease, guarantee, derivative instrument or monetary obligation resulting from a judicial, administrative or arbitration proceeding.

"**Dissemination Agent**" means any dissemination agent designated in writing by the College and that has filed with the College a written acceptance of such designation.

"**EMMA**" means the Electronic Municipal Market Access system maintained by the MSRB for the purposes of the Rule or such other electronic format prescribed by the MSRB.

"**Financial Obligation**" means any of the following: (a) a Debt Obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned Debt Obligation; or (c) the guarantee of a Debt Obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned Debt Obligation. The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB in a manner consistent with the requirements to disclose Listed Events (xv) and (xvi).

"**Fiscal Year**" means any period of twelve consecutive months adopted by the College as the fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the next calendar year.

"**Listed Events**" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"**Loan Agreement**" means the Loan Agreement, dated as of September 1, 2026, between the Authority and the College, as supplemented or amended from time to time.

"**MSRB**" means the Municipal Securities Rulemaking Board or any successor thereto.

"**Official Statement**" means the Official Statement relating to the Series 2026 Bonds.

"**Rule**" means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"**SEC**" means the United States Securities and Exchange Commission.

"**Underwriter**" shall mean the original underwriter of the Series 2026 Bonds required to comply with the Rule in connection with the offering of the Series 2026 Bonds.

SECTION 3. Provision of Annual Reports.

(a) Not later than the last day of the seventh month following the end of College's Fiscal Year, beginning with the College's Fiscal Year ending June 30, 2026 (the "**Reporting Date**"), the College shall submit to EMMA in electronic format an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the College specified in Section 4(a) of this Disclosure Certificate may be submitted separately from the balance of the Annual Report. In the event that the audited financial statements are not available on or before the Reporting Date and will be submitted at a later date, the College shall include unaudited financial statements of the College in the information provided to EMMA in its Annual Report, and the College shall indicate in the Annual Report the date on which the audited financial statements of the College are expected to be submitted. The audited financial statements of the College shall be submitted promptly upon their availability (the "**Subsequent Audited Financial Statement Submission**").

(b) The College shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB for filing with the MSRB and the proper form of such filing; and

(ii) if the Annual Report is not submitted by the Reporting Date or if the Subsequent Audited Financial Statement Submission is not made, send a notice in a timely manner to EMMA in substantially the form attached as Exhibit A.

SECTION 4. **Content of Annual Reports**. The College's Annual Report shall contain or incorporate by reference the following:

(a) the financial statements of the College for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles in the United States of America, as in effect from time to time, and which shall be accompanied by an audit report (if available at the time of the submission) resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards in the United States of America;

(b) if generally accepted accounting principles in the United States of America have changed since the last Fiscal Year and if such changes are material to the College, a narrative explanation describing the impact of such changes on the College;

(c) if the Fiscal Year has changed, a statement indicating the new Fiscal Year; and

(d) information for the preceding Fiscal Year of the type set forth in Appendix A of the Official Statement in the tables therein titled: (i) Annapolis Enrollment, (ii) Santa Fe Enrollment, (iii) Combined Transfers Included in the Freshman Class, (iv) Annapolis Undergraduate Applications and Acceptances, (v) Annapolis Graduate Applications and Acceptances, (vi) Santa Fe Undergraduate Applications and Acceptances, (vii) Santa Fe Graduate Applications and Acceptances, (viii) Annapolis SAT & ACT Scores and High School GPA, (ix) Santa Fe SAT & ACT Scores and High School GPA, (x) Tuition, Fees, Room & Board: Undergraduate, (xi) Tuition and Fees: Graduate, (xii) Financial Aid Awards, (xiii) Annapolis Total Student Aid, (xiv) Santa Fe Total Student Aid, (xv) Total Philanthropic Support: By Restriction, (xvi) Endowment Fund By Restriction and (xvii) Investments: By Asset Allocation.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the College is an "obligated person" (as defined by the Rule), which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB through EMMA. The College shall clearly identify each such other document so incorporated by reference.

SECTION 5. **Reporting of Significant Events**.

(a) In a timely manner not in excess of ten (10) business days after the occurrence of any of the following Listed Events, the College shall file a notice of such occurrence with EMMA:

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2026 Bonds, or other material events affecting the tax status of the Series 2026 Bonds.

(vii) Modification to rights of the holders of the Series 2026 Bonds, if material.

(viii) Bond calls, if material, and tender offers.

(ix) Defeasances.

(x) Release, substitution or sale of property securing repayment of the Series 2026 Bonds, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership or similar event of the College, including any of the following: the appointment of a receiver, fiscal agent or similar officer for the College in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the College, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the College.

(xiii) Consummation of a merger, consolidation, or acquisition involving the College, or sale of all or substantially all of the assets of the College, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee or the change in name of a trustee, if material.

(xv) Incurrence of a Financial Obligation of the College, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the College, any of which affect holders of the Series 2026 Bonds, if material.

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the College, any of which reflect financial difficulties.

(b) The content of any notice of the occurrence of a Listed Event shall be determined by the College and shall be in substantially the form attached as Exhibit B.

SECTION 6. **Termination of Reporting Obligation**. The College's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Series 2026 Bonds. The College shall notify the MSRB in an electronic format submitted to EMMA that the College's obligations under this Disclosure Certificate have terminated. If the College's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the College.

SECTION 7. **Dissemination Agent**. The College may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and the College may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent. If a Dissemination Agent is appointed, the Dissemination Agent shall send the College a notice of all submissions made on behalf of the College within 10 days of each such submission.

SECTION 8. **Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Certificate, the College may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the College has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. **Additional Information**. Nothing in this Disclosure Certificate shall be deemed to prevent the College from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the College chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the College shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. **Default**. In the event of a failure of the College to comply with any provision of this Disclosure Certificate, the Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the College to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate will not be deemed an "Event of Default" under the Indenture or the Loan Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the College to comply with this Disclosure Certificate will be an action to compel performance. A court may in its discretion decide not to order the specific performance of the covenants contained in this Disclosure Certificate.

SECTION 11. **Beneficiaries**. This Disclosure Certificate shall inure solely to the benefit of the College, the Authority, the Underwriter, and the Beneficial Owners and shall create no rights in any other person or entity.

SECTION 12. **Counterparts**. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 13. **Governing Law**. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Maryland.

SECTION 14. **Severability**. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be considered and enforced as if such illegal or invalid provision had not been contained herein.

[Signatures on the Following Page]

IN WITNESS WHEREOF, St. John's College has caused this Continuing Disclosure Certificate to be signed as of the day and year above first written.

ST. JOHN'S COLLEGE

By: ____
Name: J. Walter Sterling
Title: President, Annapolis Campus

By: ____
Name: Ally Gontang Highfield
Title: Chief Financial Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE [AUDITED FINANCIAL STATEMENTS] [ANNUAL REPORT]

Name of Issuer:	Maryland Health and Higher Educational Facilities Authority
Name of Bond Issue:	$_________ Maryland Health and Higher Educational Facilities Authority Revenue Bonds, St. John's College Issue Series 2026
Name of Borrower:	St. John's College
Date of Issuance:	____, 2026

NOTICE IS HEREBY GIVEN that St. John's College (the "**College**") has not provided [audited financial statements] [an Annual Report] with respect to the above-named Series 2026 Bonds as required by Section 3(a) of the Continuing Disclosure Certificate, dated ________ 2026. The College anticipates that the [audited financial statements] [Annual Report] will be filed by ______________.

Dated: _____________________

ST. JOHN'S COLLEGE

By:____________________________________

Name: _________________________________

Title: __________________________________

EXHIBIT B

NOTICE OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]

Relating to

$__________
MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS
ST. JOHN'S COLLEGE ISSUE
SERIES 2026

CUSIP NUMBER:

NOTICE IS HEREBY GIVEN that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)(ix) shall include the following:

[The Series 2026 Bonds have been defeased to [maturity/the first call date, which is _________]. This notice does not constitute a notice of redemption and no bonds should be delivered to St. John's College or the Trustee as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed ________ to _______ days prior to the redemption date.]

Dated: ______________________________

ST. JOHN'S COLLEGE

By:_____________________________________

Name: __________________________________

Title: ___________________________________

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ST JOHN'S
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