



**INVITATION TO TENDER
made by**

**THE CORPORATION OF GONZAGA UNIVERSITY
to the Holders described herein of all or a portion of the maturity listed below of**

**The Corporation of Gonzaga University
Revenue and Refunding Taxable Bonds, Series 2016A
(the “Securities”)**

(Subject to the Aggregate Tender Cap of \$50,000,000)

CUSIP No.	Principal Amount Outstanding	Maturity Date (April 1)	Interest Rate	U.S. Treasury Reference Security	Bloomberg Reference Page	Fixed Spread	Early Tender Payment⁽³⁾
220062AA1	\$108,275,000	2046 ⁽¹⁾⁽²⁾	4.158%	4.625% UST due 11/15/2045 CUSIP No. 912810UQ9	FIT1	+110 bps	\$50

- ⁽¹⁾ Term Bond maturing on April 1, 2046 is subject to sinking fund redemption payments on April 1, 2044, 2045, and 2046 and its purchase price will be calculated assuming its average life date of April 10, 2045 as its maturity date.
- ⁽²⁾ Subject to redemption prior to maturity, in whole or in part, on any business day, at the “Make-Whole Redemption Price” as defined in the Indenture of Trust dated as of October 1, 2016 relating to such bonds.
- ⁽³⁾ Per \$1,000 principal amount.

This Invitation to Tender dated January 5, 2026 for the Securities will expire at 5:00 p.m., New York City time, on February 3, 2026, or any other date and time to which The Corporation of Gonzaga University (“Gonzaga University”) extends the Tender Offer (such date and time, as it may be extended, “Expiration Date”), unless earlier terminated.

You must validly tender your Securities prior to or at 5:00 p.m., New York City time, on January 20, 2026 (such date and time, as it may be extended, the “Early Tender Date”), to be eligible to receive the applicable Total Consideration plus Accrued Interest (as defined below). If you validly tender your Securities after the Early Tender Date but prior to or at the Expiration Date, you will only be eligible to receive the applicable Late Tender Offer Consideration (as defined below) plus Accrued Interest. Securities may be withdrawn prior to or at, but not after, 5:00 p.m. New York City time, on January 20, 2026 (such date and time, as it may be extended with respect to the Tender Offer, the “Withdrawal Deadline”). For a schedule of key dates and times applicable to this Invitation to Tender, see “Important Dates for this Tender Offer” herein.

The Tender Offer is subject to the satisfaction of certain conditions, including the Financing Conditions (as defined below), as set forth under the heading “The Terms of the Tender Offer—Conditions of the Tender Offer.”

To make an informed decision as to whether, and how, to tender Securities for purchase pursuant to the Tender Offer, holders of the Securities must read this Invitation to Tender carefully, including Appendix A, and consult with their broker, account executive, financial advisor, attorney and/or other professionals.

The Dealer Manager for the Tender Offer is:

MORGAN STANLEY & CO. LLC

The Information Agent and Tender Agent for the Tender Offer is:

GLOBIC ADVISORS INC.

Document Website: www.globic.com/gonzaga

Dated: January 5, 2026

Upon the terms and subject to the conditions described in this Invitation to Tender (as the same may be amended or supplemented, the “Invitation to Tender”), Gonzaga University hereby offers to purchase for cash from sources of funds described herein (the “Tender Offer”) the Securities, provided that the total aggregate principal amount of Securities purchased in the Tender Offer will not exceed the Aggregate Tender Cap (as defined below).

The Securities accepted for payment on the Early Tender Date or the Expiration Date, as applicable, will be accepted as set forth in the table on the front cover of this Invitation to Tender. We will only accept for purchase Securities in the Tender Offer up to an aggregate principal amount that does not exceed \$50,000,000 (the “Aggregate Tender Cap”). We reserve the right, but are under no obligation, to increase or decrease the Aggregate Tender Cap at any time without extending withdrawal rights, subject to applicable law.

Securities validly tendered at or prior to the Early Tender Date will be accepted for purchase in priority to other Securities validly tendered after the Early Tender Date. Subject to applicable law, Gonzaga University may increase or decrease the Aggregate Tender Cap without extending the Withdrawal Deadline.

The Tender Offer is open to all holders (each individually, a “Holder,” and collectively, the “Holders”) of the Securities. All of the Securities are held in book-entry form through the facilities of The Depository Trust Company (“DTC”). If a Holder desires to tender Securities, the Holder must transfer such Securities through DTC’s Automated Tender Offer Program (“ATOP”), for which the transaction will be eligible, and deliver the tendered Securities by book-entry transfer to Globic Advisors Inc. (the “Tender and Information Agent”). Upon receipt of your acceptance through ATOP, DTC will verify the acceptance and send an Agent’s Message (as defined below) to the Tender and Information Agent for its acceptance. If you hold Securities through a broker, dealer, commercial bank, trust company or other nominee, you should contact such custodian or nominee if you wish to tender your Securities.

There are no guaranteed delivery procedures for the Tender Offer and there will be no letter of transmittal for the Tender Offer. For more information regarding the procedures for tendering your Securities, see “The Terms of the Tender Offer—Procedures for Tendering” below.

Notwithstanding any other provisions of this Invitation to Tender, Gonzaga University has no obligation to accept for purchase any tendered Securities, and its obligation to pay for Securities validly tendered (and not validly withdrawn) and accepted pursuant to this Invitation to Tender is subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date: (a) the successful completion of the debt financing transaction (the “Proposed Financing”), of the Washington Higher Education Facilities Authority and its Revenue and Refunding Revenue Bonds (Gonzaga University Project), Series 2026 (the “2026 Bonds”), the proceeds of which will be sufficient, together with available funds, if any, to (x) fund the purchase of all Securities, subject to the Aggregate Tender Cap, validly tendered and accepted for purchase pursuant to this Invitation to Tender and (y) pay all fees and expenses associated with the issuance of the 2026 Bonds and this Invitation to Tender; (b) Gonzaga University’s obtaining satisfactory and sufficient economic benefit as a result of the consummation of this Invitation to Tender when taken together with the Proposed Financing (collectively, the “Financing Conditions”), all on terms and conditions that are in Gonzaga University’s best interest in its sole discretion; and (c) the other conditions set forth in “The Terms of the Tender Offer—Conditions of the Tender Offer” herein.

Gonzaga University reserves the right, subject to applicable law, to amend or waive any of the conditions to this Invitation to Tender, in whole or in part, at any time prior to the Expiration Date (as defined herein) or from time to time, in its sole discretion.

This Invitation to Tender may be withdrawn at any time prior to the Expiration Date. For more information regarding the procedures for tendering your Securities, see “The Terms of the Tender Offer—Procedures for Tendering” herein.

In this Invitation to Tender, Gonzaga University has used the convention of referring to all Securities that have been validly tendered and not validly withdrawn as having been “validly tendered.” As used herein, unless otherwise specified or unless the context indicates otherwise, the terms “we,” “us,” and “our” refer to Gonzaga University.

The applicable consideration (the “Total Consideration”) offered per \$1,000 principal amount of Securities validly tendered and accepted for purchase pursuant to the Tender Offer will be determined in the manner described in this Invitation to Tender by reference to the applicable fixed spread for such Securities (the “Fixed Spread”) specified on the front cover of this Invitation to Tender plus the applicable yield (the “Reference Yield”) based on the bid-side price of the applicable U.S. Treasury Reference Security specified on the front cover of this Invitation to Tender (as applicable, the “Reference Security”) as quoted on the applicable page on the Bloomberg Bond Trader FIT series of pages (with respect to each Reference Security, the “Reference Page”) at 10:00 a.m., New York City time, on the applicable date referred to as the “Price Determination Date.” The sum of the Fixed Spread and the Reference Yield is referred to as the “Repurchase Yield.”

Holders of any Securities that are validly tendered prior to or at the Early Tender Date and that are accepted for purchase will receive the applicable Total Consideration. The Total Consideration, as calculated using the Fixed Spread for the Securities set forth in the table on the front cover of this Invitation to Tender, is inclusive of the Early Tender Payment (as defined below). Holders of any Securities that are validly tendered after the Early Tender Date but prior to or at the Expiration Date and that are accepted for purchase will receive the applicable Total Consideration *minus* an amount in cash (the “Early Tender Payment”) equal to the applicable amount set forth in the table on the front cover of this Invitation to Tender under the heading “Early Tender Payment.” As used herein, the Total Consideration *minus* the Early Tender Payment is referred to as the “Late Tender Offer Consideration.”

In addition to the Total Consideration or the Late Tender Offer Consideration, as applicable, all Holders of Securities accepted for purchase will also receive accrued and unpaid interest on Securities validly tendered and accepted for purchase from the applicable last interest payment date up to, but not including, the Settlement Date (as defined below) (“Accrued Interest”), payable on such Settlement Date.

The Tender Offer will expire on the Expiration Date. Except as set forth below, payment for the Securities that are validly tendered prior to or at the Expiration Date and that are accepted for purchase will be made on the date referred to as the “Settlement Date.” It is anticipated that the Settlement Date for the Securities will be February 5, 2026, the second business day after the Expiration Date.

If you validly tender your Securities prior to the Withdrawal Deadline, you may validly withdraw your tendered Securities at any time prior to the Withdrawal Deadline. After such time, you may not withdraw your Securities unless Gonzaga University amends the Tender Offer, in which case withdrawal rights may be extended as Gonzaga University determines, to the extent required by law, appropriate to allow tendering Holders a reasonable opportunity to respond to such amendment. Gonzaga University, in its sole discretion, may extend the Withdrawal Deadline for any purpose. If a custodian bank, broker, dealer, commercial bank, trust company or other nominee holds your Securities, such nominee may have an earlier deadline or deadlines for receiving instructions to withdraw tendered Securities.

NONE OF GONZAGA UNIVERSITY, ITS BOARD OF TRUSTEES AND BOARD OF MEMBERS, THE DEALER MANAGER, THE TENDER AND INFORMATION AGENT, AND THE TRUSTEE WITH RESPECT TO ANY SECURITIES IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER ANY SECURITIES IN RESPONSE TO THE TENDER OFFER, AND NEITHER GONZAGA UNIVERSITY NOR ANY SUCH OTHER PERSON HAS AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER ANY OF THEIR SECURITIES, AND, IF SO, THE PRINCIPAL AMOUNT OF SUCH SECURITIES TO TENDER.

Any questions or requests for assistance concerning the Tender Offer may be directed to the Dealer Manager (as defined below) at its address and telephone number set forth on the back cover of this Invitation to Tender. Requests for additional copies of this Invitation to Tender or any other documents may be directed to the Tender and Information Agent at the address and telephone numbers set forth on the back cover of this Invitation to Tender. This Invitation to Tender, along with future notices related to the Tender Offer, is available electronically on the website of the Tender and Information Agent at www.globic.com/gonzaga.

See “Summary of Certain Federal Income Tax Consequences” for a discussion of U.S. federal income tax considerations that should be considered in evaluating the Tender Offer.

IF YOU DO NOT TENDER YOUR SECURITIES, THEY WILL REMAIN OUTSTANDING IMMEDIATELY FOLLOWING THE TENDER OFFER. IF GONZAGA UNIVERSITY CONSUMMATES THE TENDER OFFER, THE APPLICABLE TRADING MARKET FOR YOUR OUTSTANDING SECURITIES MAY BE SIGNIFICANTLY MORE LIMITED. FOR A DISCUSSION OF THIS AND CERTAIN OTHER MATTERS TO BE CONSIDERED IN CONNECTION WITH THE TENDER OFFER, SEE “CERTAIN SIGNIFICANT CONSIDERATIONS FOR HOLDERS.”

The Tender Offer may be terminated or withdrawn in whole or terminated or withdrawn with respect to the Securities, subject to applicable law. Gonzaga University reserves the right, subject to applicable law, at any time to (i) waive any and all conditions to the Tender Offer, (ii) extend or terminate the Tender Offer, (iii) increase or decrease the Aggregate Tender Cap, or (iv) otherwise amend the Tender Offer in any respect.

If Gonzaga University makes a material change in the terms of the Tender Offer or waives a material condition of the Tender Offer, Gonzaga University will disseminate additional materials related to the Tender Offer and extend the Tender Offer to the extent required by law. In addition, Gonzaga University may, if it deems appropriate, extend the Tender Offer for any other reason. Any extension, amendment or termination will be followed promptly by public announcement thereof, the announcement in the case of an extension of the Tender Offer to be issued promptly following the Early Tender Date or Expiration Date, as applicable. Without limiting the manner in which Gonzaga University may choose to make a public announcement of any extension, amendment or termination of the Tender Offer, Gonzaga University will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release. Gonzaga University will announce the determination of the Total Consideration promptly on the Price Determination Date by issuance of a subsequent notice.

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IMPORTANT DATES FOR THIS TENDER OFFER

You should take note of the following dates in connection with the Tender Offer:

Date	Calendar Date and Time	Event
Commencement Date	January 5, 2026	The commencement date of the Tender Offer.
Early Tender Date	5:00 p.m., New York City time, on January 20, 2026, unless extended or earlier terminated by Gonzaga University.	The last time and day for you to tender the Securities in order to be eligible to receive the applicable Total Consideration, plus Accrued Interest. If you validly tender Securities after the Early Tender Date but prior to or at the Expiration Date, you will be eligible to receive only the applicable Late Tender Offer Consideration, which is equal to the applicable Total Consideration, <i>minus</i> the Early Tender Payment, <i>plus</i> Accrued Interest.
Withdrawal Deadline	5:00 p.m., New York City time, on January 20, 2026, unless extended or earlier terminated by Gonzaga University.	The last time and day for you to validly withdraw tenders of the Securities.
Price Determination Date	For determining Total Consideration: 10:00 a.m., New York City time on January 22, 2026, unless extended or earlier terminated by Gonzaga University.	The date for determining the applicable Total Consideration and the applicable Late Tender Offer Consideration with respect to the Securities.
Expiration Date	5:00 p.m., New York City time, on February 3, 2026, unless extended or earlier terminated by Gonzaga University.	The last time and day for you to tender the Securities pursuant to the Tender Offer.
Settlement Date	It is anticipated that the Settlement Date will be February 5, 2026 the second business day after the Expiration Date.	The date for payment of the Total Consideration and the Late Tender Offer Consideration plus, in each case, Accrued Interest with respect to Securities that are validly tendered prior to or at the Expiration Date and that are accepted for purchase.

IMPORTANT INFORMATION

YOU SHOULD READ THIS INVITATION TO TENDER CAREFULLY BEFORE MAKING A DECISION TO TENDER YOUR SECURITIES.

Gonzaga University has not filed this document with, and it has not been reviewed by, any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of this document, and it is unlawful and may be a criminal offense to make any representation to the contrary.

Only registered Holders of Securities are entitled to tender Securities pursuant to the Tender Offer. A beneficial owner of Securities that are held of record by a custodian bank, broker, dealer, commercial bank, trust company or other nominee must contact the nominee and request that such nominee tender such Securities on the beneficial owner's behalf prior to the Early Tender Date in order to receive the Total Consideration for such Securities, or after the Early Tender Date but prior to the Expiration Date in order to receive the Late Tender Offer Consideration for such Securities. Beneficial owners should be aware that their custodian bank, broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Tender Offer. Accordingly, beneficial owners wishing to participate in the Tender Offer should contact their custodian bank, broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate.

All Securities are registered in the name of Cede & Co., the nominee of DTC. Because only registered Holders of Securities may tender Securities, beneficial owners of Securities must instruct the custodian bank, broker, dealer, commercial bank, trust company or other nominee that holds Securities on their behalf to tender Securities on such beneficial owners' behalf. DTC has authorized DTC participants that hold Securities on behalf of beneficial owners of Securities through DTC to tender their Securities as if they were Holders. To tender Securities, a Holder must transfer such Securities through ATOP and deliver the tendered Securities by book-entry transfer to the Tender and Information Agent. See "The Terms of the Tender Offer—Procedures for Tendering." Tendering Holders will not be required to pay brokerage fees or commissions to Morgan Stanley & Co. LLC (the "Dealer Manager"), Gonzaga University or the Tender and Information Agent.

Requests for additional copies of this Invitation to Tender and requests for assistance relating to the procedures for tendering Securities may be directed to the Tender and Information Agent at its address and telephone number on the back cover page of this Invitation to Tender. Requests for assistance relating to the terms and conditions of the Tender Offer may be directed to the Dealer Manager at its address and telephone number on the back cover page of this Invitation to Tender. Beneficial owners may also contact their custodian bank, broker, dealer, commercial bank, trust company or other nominee for assistance regarding the Tender Offer.

This document and related documents do not constitute offers to buy or the solicitation of offers to sell Securities in any jurisdiction or in any circumstances in which such offers or solicitations are unlawful.

Neither the delivery of this document and related documents nor any purchase of Securities by Gonzaga University will, under any circumstances, create any implication that the information contained in this document or in any related document is current as of any time subsequent to the date of such information.

No dealer, salesperson or other person has been authorized to give any information or to make any representations with respect to the Tender Offer other than the information and representations contained or incorporated by reference in this Invitation to Tender and, if given or made, such information or representations must not be relied upon as having been authorized.

From time to time after completion of the Tender Offer, Gonzaga University or its affiliates may purchase additional Securities in the open market, in privately negotiated transactions, through tender or exchange offers, or otherwise, or Gonzaga University may redeem Securities that Gonzaga University is permitted to redeem pursuant to their terms. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of the Securities than the terms of the Tender Offer. Any future purchases by Gonzaga University or its affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) Gonzaga University or its affiliates may choose to pursue in the future.

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Appendix A: Preliminary Official Statement for the Proposed 2026 Bonds

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SUMMARY

The following summary is provided solely for the convenience of Holders of the Securities. This summary is not intended to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere or incorporated by reference in this Invitation to Tender or any amendments or supplements hereto. Each undefined capitalized term used in this Summary has the meaning set forth elsewhere in this Invitation to Tender. Before tendering any Securities, you should read carefully this Invitation to Tender.

The Securities	The Securities for which the Tender Offer is being made, the CUSIP number applicable to such Securities, and the principal amount outstanding are set forth in the table on the front cover of this Invitation to Tender. The Tender Offer is also subject to the Aggregate Tender Cap.
The Tender Offer	The Tender Offer is for cash, upon the terms and subject to the conditions set forth in this Invitation to Tender, subject to the Aggregate Tender Cap. Gonzaga University reserves the right to increase or decrease the Aggregate Tender Cap in its sole discretion, subject to compliance with applicable law.
Purpose of the Tender Offer	Gonzaga University is making the Tender Offer to reduce its debt service requirements. Securities purchased in the Tender Offer will be retired and cancelled.
Source of Funds	Gonzaga University intends to fund the purchase price of all Securities accepted for payment in the Tender Offer with the proceeds of 2026 Bonds (as defined herein) and cash on hand or other sources of liquidity, if any, subject to the Aggregate Tender Cap.
Total Consideration; Late Offers	<p>The applicable Total Consideration for each \$1,000 principal amount of Securities tendered and accepted for purchase pursuant to the Tender Offer will be determined in the manner described in this Invitation to Tender by reference to the applicable Fixed Spread for such Securities specified on the front cover of this Invitation to Tender plus the yield to maturity of the applicable Reference Security based on the bid-side price of the applicable Reference Security specified on the front cover of this Invitation to Tender as quoted on the applicable Reference Page at 10:00 a.m., New York City time, on the applicable Price Determination Date. The formula for determining the Total Consideration is set forth on Schedule A.</p> <p>Subject to the terms and conditions described in this Invitation to Tender, including the Aggregate Tender Cap and proration, if applicable, if a Holder validly tenders its Securities pursuant to the Tender Offer prior to or at the Early Tender Date and such Holder's Securities are accepted for purchase, such Holder will receive the applicable Total Consideration for each \$1,000 principal amount of its tendered Securities, plus Accrued Interest thereon. The Total Consideration for the Securities, as calculated using the applicable Fixed Spread, is inclusive of the Early Tender Payment.</p>
Tender Offer: Aggregate Tender Cap; and Proration	Subject to the terms and conditions described in this Invitation to Tender, including the Aggregate Tender Cap, if a Holder validly tenders its Securities pursuant to the Tender Offer after the Early Tender Date, but prior to or at the Expiration Date, and such Holder's Securities are accepted for purchase, such Holder will receive only the applicable Late Tender Offer Consideration, which consists of the Total Consideration <i>minus</i> the Early Tender Payment, for each \$1,000 principal amount of its tendered Securities, plus the Accrued Interest thereon.

Subject to the Aggregate Tender Cap, Securities validly tendered at or prior to the Early Tender Date will be accepted for purchase in priority to other Securities validly tendered after the Early Tender Date.

When proration of tendered Securities is required, the aggregate principal amount of Securities tendered by a Holder will be multiplied by the proration rate and then rounded down to the nearest \$1,000 principal amount. The proration rate used will be that percentage, such that the aggregate principal amount of Securities that are accepted for purchase in the Tender Offer comes nearest to but does not exceed the maximum principal amount of Securities of such maturity without exceeding the Aggregate Tender Cap. If after applying the proration rate as described above, the Holder is entitled to a credit or return of a portion of its tendered Securities which is less than the authorized minimum denomination as set forth under “The Terms of the Tender Offer—Procedures for Tendering—Minimum Tender Denomination; Partial Tenders” below, then all or none (at Gonzaga University’s sole discretion) of the Securities tendered by the Holder will be accepted without proration. In no event will the aggregate principal amount of Securities purchased pursuant to the Tender Offer exceed the Aggregate Tender Cap.

Any tendered Securities not accepted for purchase will be promptly credited to such Holder’s account with DTC or otherwise returned to the Holder without cost.

Securities tendered after the Early Tender Date but prior to or at the Expiration Date will be eligible for purchase only if and to the extent that the aggregate principal amount of Securities that is validly tendered and accepted for purchase as of the Early Tender Date is less than the Aggregate Tender Cap.

Gonzaga University reserves the right to increase or decrease the Aggregate Tender Cap without extending withdrawal rights, subject to compliance with applicable law. There can be no assurance that Gonzaga University will exercise its right to increase or decrease the Aggregate Tender Cap.

Early Tender Date

The Early Tender Date for the Tender Offer is 5:00 p.m., New York City time, on January 20, 2026, unless extended or earlier terminated. If a custodian bank, broker, dealer, commercial bank, trust company or other nominee holds your Securities, such nominee may have an earlier deadline or deadlines for accepting the Securities. You should promptly contact the custodian bank, broker, dealer, commercial bank, trust company or other nominee that holds your Securities to determine its deadline.

Withdrawal Deadline

The Withdrawal Deadline for the Tender Offer is 5:00 p.m., New York City time, on January 20, 2026, unless extended or earlier terminated.

Price Determination Date

The Price Determination Date to determine the Total Consideration will occur at 10:00 a.m., New York City time, on January 22, 2026, unless extended or earlier terminated.

Expiration Date

The Tender Offer will expire at 5:00 p.m., New York City time, on February 3, 2026, unless extended or earlier terminated. If a custodian bank, broker, dealer, commercial bank, trust company or other nominee holds your Securities, such nominee may have an earlier deadline for accepting the Securities. You should promptly contact the custodian bank, broker, dealer, commercial bank, trust company or other nominee that holds your Securities to determine its deadline.

Settlement Date	The Settlement Date will occur promptly after the Expiration Date. It is anticipated that the Settlement Date will be February 5, 2026, the second business day following the Expiration Date.
Withdrawal Rights	<p>Tenders of Securities made prior to the Withdrawal Deadline may be validly withdrawn at any time prior to or at the Withdrawal Deadline unless Gonzaga University amends the Tender Offer, in which case withdrawal rights may be extended as Gonzaga University determines, to the extent required by law, appropriate to allow tendering Holders a reasonable opportunity to respond to such amendment. Gonzaga University, in its sole discretion, may extend the Withdrawal Deadline for any purpose.</p> <p>Securities withdrawn prior to the Withdrawal Deadline may be tendered again prior to the Early Tender Date or the Expiration Date, as applicable, in accordance with the procedures set forth in this Invitation to Tender.</p> <p>To validly withdraw Securities from the Tender Offer, Holders must deliver a written or facsimile notice of withdrawal, with the required information (as set forth below under “The Terms of the Tender Offer—Withdrawal of Tenders”) prior to or at the Withdrawal Deadline. Subject to applicable law, Gonzaga University may increase or decrease the Aggregate Tender Cap without extending or reinstating withdrawal rights.</p> <p>Securities tendered after the Withdrawal Deadline, but on or before the Expiration Date, may not be withdrawn at any time, unless the Withdrawal Deadline is extended by Gonzaga University, in its sole discretion, or as otherwise required by law (as determined by Gonzaga University).</p>
How to Tender Securities	See “The Terms of the Tender Offer—Procedures for Tendering.” For further information, call the Tender and Information Agent at its telephone number set forth on the back cover of this Invitation to Tender or consult your custodian bank, broker, dealer, commercial bank, trust company or other nominee for assistance.
Extension; Amendment; Termination; and Conditions of the Tender Offer	<p>The obligation of Gonzaga University to accept and pay for Securities in the Tender Offer is subject to the satisfaction or waiver of a number of conditions, including the Financing Conditions (as defined herein), and those other conditions set forth in “The Terms of the Tender Offer—Conditions of the Tender Offer.”</p> <p>The Tender Offer is not conditioned upon the tender of any minimum principal amount of the Securities. Any Securities validly tendered and accepted for purchase may be subject to proration as described herein. Subject to applicable law, Gonzaga University expressly reserves the right, in its sole discretion, to amend, extend or terminate the Tender Offer. If the Tender Offer is terminated at any time, the Securities tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.</p>
Financing Conditions	Notwithstanding any other provisions of this Invitation to Tender, Gonzaga University has no obligation to accept for purchase any tendered Securities, and its obligation to pay for Securities validly tendered (and not validly withdrawn) and accepted pursuant to this Invitation to Tender is subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date: (a) the successful completion of the debt financing

transaction (the “Proposed Financing”), of the Washington Higher Education Facilities Authority and its Revenue and Refunding Revenue Bonds (Gonzaga University Project), Series 2026 (the “2026 Bonds”), the proceeds of which will be sufficient, together with available funds, if any, to (x) fund the purchase of all Securities, subject to the Aggregate Tender Cap, validly tendered and accepted for purchase pursuant to this Invitation to Tender and (y) pay all fees and expenses associated with the issuance of the 2026 Bonds and this Invitation to Tender; (b) Gonzaga University’s obtaining satisfactory and sufficient economic benefit as a result of the consummation of this Invitation to Tender when taken together with the Proposed Financing (collectively, the “Financing Conditions”), all on terms and conditions that are in Gonzaga University’s best interest in its sole discretion; and (c) the other conditions set forth in “The Terms of the Tender Offer—Conditions of the Tender Offer” herein.

Gonzaga University reserves the right, subject to applicable law, to amend or waive any of the conditions to this Invitation to Tender, in whole or in part, at any time prior to the Expiration Date (as defined herein) or from time to time, in its sole discretion. This Invitation to Tender may be withdrawn at any time prior to the Expiration Date. For more information regarding the procedures for tendering your Securities, see “The Terms of the Tender Offer— Procedures for Tendering” herein.

Untendered or Unpurchased Securities

Gonzaga University will return any tendered Securities that it does not accept for purchase to the tendering Holder without expense to the tendering Holder. Securities not tendered or otherwise not purchased pursuant to the Tender Offer will remain outstanding. If the Tender Offer is consummated, the aggregate principal amount outstanding of Securities that is purchased in part will be reduced. This may adversely affect the liquidity of and, consequently, the market price for the Securities that remain outstanding after consummation of the Tender Offer. See “Certain Significant Considerations for Holders.”

Other Purchases of Securities

Gonzaga University or its affiliates may from time to time, after completion of the Tender Offer, purchase additional Securities in the open market, in privately negotiated transactions, through tender or exchange offers or otherwise, or Gonzaga University may redeem Securities that are redeemable pursuant to their terms. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Securities than the terms of the Tender Offer. Any future purchases by Gonzaga University will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) Gonzaga University may choose to pursue in the future.

U.S. Federal Income Tax Considerations

For a discussion of U.S. federal income tax considerations of the Tender Offer applicable to Holders of Securities, see “Summary of Certain Federal Income Tax Consequences.”

Dealer Manager

Morgan Stanley & Co. LLC is serving as Dealer Manager in connection with the Tender Offer. The Dealer Manager’s contact information appears on the back cover page of this Invitation to Tender.

Tender and Information Agent

Globic Advisors Inc. is serving as Tender and Information Agent in connection with the Tender Offer. Requests for additional copies of this Invitation to Tender should be directed to the Tender and Information Agent using the contact information appearing on the back cover page of this Invitation to Tender.

Brokerage Commissions

No brokerage commissions are payable by Holders to Gonzaga University, the Dealer Manager or the Tender and Information Agent.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements included or incorporated by reference herein may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated, including, without limitation, the risk factors set forth in “CERTAIN BONDHOLDERS’ RISKS” and “APPENDIX A – Selected Information Concerning the University Including Unaudited Financial Information” of the Preliminary Official Statement for the 2026 Bonds, which is attached hereto as Appendix A.

We cannot be certain that any expectations, forecasts or assumptions made by management in preparing these forward-looking statements will prove accurate, or that any projections will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

AVAILABLE INFORMATION

Certain information relating to the Securities and Gonzaga University may be obtained by contacting the Tender and Information Agent at its address and telephone number on the back cover page of this Invitation to Tender. Such information is limited to (i) this Invitation to Tender, including the information set forth in the Preliminary Official Statement for the 2026 Bonds which is attached hereto as Appendix A, and (ii) information about Gonzaga University available through EMMA.

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INTRODUCTION

This Invitation to Tender Bonds, dated January 5, 2026 (as it may be amended or supplemented, including the cover page and Appendices hereto, this “Invitation to Tender”), describes an offer by The Corporation of Gonzaga University (“Gonzaga University”), with the assistance of Morgan Stanley & Co. LLC, as Dealer Manager (the “Dealer Manager”), to the beneficial owners (the “Holders” or “Bondholders”) of Gonzaga University’s outstanding bonds of the series listed on the cover page of this Invitation to Tender (collectively, the “Securities”) to tender their Securities for purchase at the applicable purchase prices set forth on the cover of this Invitation to Tender, tendered and accepted for purchase to but not including the Settlement Date (as defined herein).

The Securities were issued by Gonzaga University pursuant to that certain Indenture of Trust dated as of October 1, 2016 (the “2016 Indenture”), between Gonzaga University and U.S. Bank National Association, as trustee. For certain information concerning Gonzaga University and the Washington Higher Education Facilities Authority Revenue and Refunding Revenue Bonds (Gonzaga University Project), Series 2026 (the “2026 Bonds”) and the security for such 2026 Bonds, see the Preliminary Official Statement dated January 5, 2026 attached hereto as Appendix A.

The source of funds to purchase the Securities validly tendered for purchase pursuant to this Invitation to Tender with respect to the principal amount thereof will be from proceeds of the 2026 Bonds, cash on hand or other sources of liquidity, if any. This Invitation to Tender is being made to reduce Gonzaga University’s debt service requirements. If issued, the 2026 Bonds will be dated on or about Settlement Date, bear interest at the rates and mature on the dates (subject to prior redemption) and be issued in the manner, on the terms and with the security therefor all as set forth in the Preliminary Official Statement for the 2026 Bonds.

Notwithstanding any other provisions of this Invitation to Tender, Gonzaga University has no obligation to accept for purchase any tendered Securities, and its obligation to pay for Securities validly tendered (and not validly withdrawn) and accepted pursuant to this Invitation to Tender is subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date: (a) the successful completion of the debt financing transaction (the “Proposed Financing”), of the Washington Higher Education Facilities Authority and its 2026 Bonds, the proceeds of which will be sufficient, together with available funds, if any, to (x) fund the purchase of all Securities, subject to the Aggregate Tender Cap, validly tendered and accepted for purchase pursuant to this Invitation to Tender and (y) pay all fees and expenses associated with the issuance of the 2026 Bonds and this Invitation to Tender; (b) Gonzaga University’s obtaining satisfactory and sufficient economic benefit as a result of the consummation of this Invitation to Tender when taken together with the Proposed Financing (collectively, the “Financing Conditions”), all on terms and conditions that are in Gonzaga University’s best interest in its sole discretion; and (c) the other conditions set forth in “The Terms of the Tender Offer—Conditions of the Tender Offer” herein.

PURPOSE OF THE TENDER OFFER

Gonzaga University is making the Tender Offer to reduce its debt service requirements. Securities purchased in the Tender Offer will be retired and cancelled.

THE TERMS OF THE TENDER OFFER

General

Upon the terms and subject to the conditions described in this Invitation to Tender and any amendments or supplements thereto, Gonzaga University hereby offers to purchase for cash the Securities being tendered, provided that the total aggregate principal amount of Securities purchased in the Tender Offer will not exceed the Aggregate Tender Cap. The Total Consideration or Late Tender Offer Consideration, as applicable, per \$1,000 principal amount of Securities validly tendered and accepted for purchase pursuant to the Tender Offer is discussed below under “—Total Consideration and Late Tender Offer Consideration.” In addition to the Total Consideration or Late Tender Offer Consideration, as applicable, Gonzaga University will pay Accrued Interest on purchased Securities from the applicable last interest payment date up to, but not including, the Settlement Date. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by DTC.

The Tender Offer is open to all registered Holders of the Securities. Gonzaga University's obligation to accept for purchase and to pay for Securities in the Tender Offer is subject to the satisfaction or waiver of the conditions, including the Financing Conditions, discussed below under "—Conditions of the Tender Offer." The Tender Offer is not conditioned upon the tender of any minimum principal amount of the Securities. **For more information regarding proration, see "—Tender Offer: Aggregate Tender Cap; and Proration" below.**

The Tender Offer will commence on January 5, 2026, and will expire on the Expiration Date. No tenders of Securities will be valid if submitted after the Expiration Date. If a custodian bank, broker, dealer, commercial bank, trust company or other nominee holds your Securities, such nominee may have an earlier deadline or deadlines for accepting the Securities. You should promptly contact the custodian bank, broker, dealer, commercial bank, trust company or other nominee that holds your Securities to determine its deadline or deadlines.

If you validly tender your Securities prior to the Withdrawal Deadline for your tendered Securities, you may validly withdraw your tendered Securities at any time prior to or at the Withdrawal Deadline. After such time, you may not withdraw your Securities unless Gonzaga University amends the Tender Offer, in which case withdrawal rights may be extended as Gonzaga University determines, to the extent required by law, appropriate to allow tendering Holders a reasonable opportunity to respond to such amendment. Gonzaga University, in its sole discretion, may extend the Withdrawal Deadline for any purpose. If a custodian bank, broker, dealer, commercial bank, trust company or other nominee holds your Securities, such nominee may have an earlier deadline or deadlines for receiving instructions to withdraw tendered Securities.

The Tender Offer may be terminated or withdrawn, subject to compliance with applicable law. Gonzaga University reserves the right, subject to applicable law, to (i) waive any and all conditions to the Tender Offer, (ii) extend or terminate the Tender Offer, (iii) increase or decrease the Aggregate Tender Cap, or (iv) otherwise amend the Tender Offer in any respect.

If Gonzaga University makes a material change in the terms of the Tender Offer or waives a material condition of the Tender Offer, Gonzaga University will disseminate additional materials related to the Tender Offer and extend the Tender Offer to the extent required by law. In addition, Gonzaga University may, if it deems appropriate, extend the Tender Offer for any other reason. Any extension, amendment or termination will be followed promptly by public announcement thereof. The announcement in the case of an extension of the Tender Offer will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Early Tender Date or Expiration Date, as applicable. Without limiting the manner in which Gonzaga University may choose to make a public announcement of any extension, amendment or termination of the Tender Offer, Gonzaga University will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release. For additional information, see "—Extension, Amendment or Termination of the Tender Offer."

None of Gonzaga University, its Board of Trustees and Board of Members, the Dealer Manager, the Tender and Information Agent, and the trustee with respect to any Securities is making any recommendation as to whether Holders should tender any Securities in response to the Tender Offer, and neither Gonzaga University nor any such other person has authorized any person to make any such recommendation. Holders must make their own decision as to whether to tender any of their Securities, and, if so, the principal amount of Securities to tender.

Total Consideration and Late Tender Offer Consideration

The applicable Total Consideration offered per \$1,000 principal amount of Securities validly tendered and accepted for purchase pursuant to the Tender Offer will be calculated in accordance with standard market practice, as described on Schedule A hereto, so as to result in a price as of the Settlement Date based on a Repurchase Yield to the maturity date or optional redemption date, as applicable, in accordance with the formula set forth in Schedule A, equal to the sum of:

- the yield to maturity on the applicable Reference Security, calculated in accordance with standard market practice, based on the bid-side price of the applicable Reference Security set forth for the Securities to be tendered on the front cover of this Invitation to Tender, as quoted on the applicable Reference Page at 10:00 a.m., New York City time, at the applicable Price Determination Date, *plus*
- the applicable Fixed Spread set forth for the Securities being tendered on the front cover of this Invitation to Tender.

This sum is referred to in this Invitation to Tender as the Repurchase Yield. Specifically, the Total Consideration offered per \$1,000 principal amount of Securities validly tendered and accepted for purchase will equal:

- the present value per \$1,000 principal amount of all remaining scheduled payments of principal and interest on the Securities (taking into account sinking fund payments) up to and including such maturity date or optional redemption date, as applicable, discounted to the Settlement Date in accordance with the formula set forth on Schedule A hereto, at a discount rate equal to the applicable Repurchase Yield, *minus*
- Accrued Interest up to, but not including, the applicable Settlement Date per \$1,000 principal amount of such Securities.

Subject to the terms and conditions described in this Invitation to Tender, including the Aggregate Tender Cap and proration, if applicable, if a Holder validly tenders its Securities pursuant to the Tender Offer prior to or at the Early Tender Date and such Holder's Securities are accepted for purchase, such Holder will receive the applicable Total Consideration for each \$1,000 principal amount of its tendered Securities. The Total Consideration for the Securities, as calculated using the applicable Fixed Spread, is inclusive of the Early Tender Payment. If a Holder validly tenders its Securities pursuant to the Tender Offer after the applicable Early Tender Date, but prior to or at the applicable Expiration Date, and such Holder's Securities are accepted for purchase, such Holder will receive only the applicable Late Tender Offer Consideration, which consists of the Total Consideration *minus* the Early Tender Payment, for each \$1,000 principal amount of its tendered Securities.

In addition to the Total Consideration or Late Tender Offer Consideration, as applicable, all Holders of Securities accepted for purchase will also receive Accrued Interest from the applicable last interest payment date up to, but not including, the Settlement Date, payable on such date.

Because the consideration applicable to the Tender Offer is based on a fixed spread pricing formula linked to the yield on the applicable Reference Security, the actual amount of consideration that may be received by a tendering Holder pursuant to the Tender Offer will be affected by changes in such yield during the term of the Tender Offer prior to the Price Determination Date. After the applicable Price Determination Date, when the consideration applicable to the Tender Offer is no longer linked to the yield on the applicable Reference Security, the actual amount of cash that may be received by a tendering Holder pursuant to the Tender Offer will be known, and Holders will be able to ascertain the Total Consideration or Late Tender Offer Consideration, as applicable, that would be received by all tendering Holders whose Securities are accepted for purchase pursuant to the Tender Offer in the manner described above.

In the event of any dispute or controversy regarding the (i) Total Consideration or Late Tender Offer Consideration, as applicable, (ii) Reference Yield, (iii) Repurchase Yield or (iv) amount of Accrued Interest for Securities tendered and accepted for purchase pursuant to the Tender Offer, Gonzaga University's determination shall be conclusive and binding, absent manifest error.

As soon as practicable after the Price Determination Date, but in any event no later than 9:00 a.m., New York City time, on the next business day, Gonzaga University will publicly announce the pricing information by press release, if applicable.

Tender Offer: Early Tender Date; Price Determination Date; Expiration Date; Extensions; Amendments

The Early Tender Date for the Tender Offer is 5:00 p.m., New York City time, on January 20, 2026, unless extended, in which case the Early Tender Date will be such date to which the Early Tender Date is extended. The Price Determination Date for the Tender Offer that receives Total Consideration is 10:00 a.m., New York City, time on January 22, 2026, unless extended, in which case the Price Determination Date for determining Total Consideration will be such date to which the Price Determination Date is extended.

The Expiration Date for the Tender Offer is 5:00 p.m., New York City time, on February 3, 2026, unless extended, in which case the Expiration Date will be such date to which the Expiration Date is extended. Gonzaga University, in its sole discretion, may extend the Early Tender Date, Price Determination Date or Expiration Date or otherwise amend the Tender Offer for any purpose, including to permit the satisfaction or waiver of any or all conditions of the Tender Offer. To extend the Early Tender Date, Price Determination Date, Expiration Date or otherwise amend the Tender Offer, Gonzaga University

will notify the Tender and Information Agent and will make a public announcement thereof as promptly as practicable. In the case of an extension of the Early Tender Date or the Expiration Date, an announcement will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Early Tender Date or Expiration Date, respectively. Such announcement will specify whether Gonzaga University is extending the Tender Offer for a specified period or on a daily basis. Without limiting the manner in which Gonzaga University may choose to make a public announcement of any extension, amendment or termination of the Tender Offer, Gonzaga University will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release.

Tender Offer and Proration

The Aggregate Tender Cap is \$50 million. Subject to applicable law, Gonzaga University reserves the right to increase or decrease the Aggregate Tender Cap in its sole discretion without extending the Withdrawal Deadline.

Subject to the Aggregate Tender Cap, Securities validly tendered at or prior to the Early Tender Date will be accepted for purchase in priority to other Securities validly tendered after the Early Tender Date.

When proration of tendered Securities is required, the aggregate principal amount of Securities tendered by a Holder of such CUSIP will be multiplied by the proration rate and then rounded down to the nearest \$1,000 principal amount. The proration rate used for Securities will be that percentage, such that the aggregate principal amount of Securities that are accepted for purchase in the Tender Offer comes nearest to but does not exceed the maximum principal amount of Securities that may be accepted for purchase without exceeding the Aggregate Tender Cap. If after applying the proration rate as described above, the Holder is entitled to a credit or return of a portion of its tendered Securities that is less than the authorized minimum denomination for such Securities as set forth under “—Procedures for Tendering—Minimum Tender Denomination; Partial Tenders” below, then all or none (at Gonzaga University’s sole discretion) of the Securities tendered by the Holder will be accepted without proration. In no event will the aggregate principal amount of Securities purchased pursuant to the Tender Offer exceed the Aggregate Tender Cap. If proration of tendered Securities is required, Gonzaga University will determine the final proration rate as soon as practicable after the Early Tender Date or the Expiration Date, as applicable, and will announce the results of proration on such Tender Offer by separate notice.

Any tendered Securities not accepted for purchase will be promptly credited to such Holder’s account with DTC or otherwise returned to the Holder without cost. Securities tendered after the Early Tender Date but prior to or at the Expiration Date will be eligible for purchase only if and to the extent that the aggregate principal amount of Securities that is validly tendered and accepted for purchase as of the Early Tender Date is less than the Aggregate Tender Cap. We reserve the right, but are under no obligation, to increase or decrease the Aggregate Tender Cap at any time, subject to applicable law.

Source of Funds

Gonzaga University intends to fund the purchase price of all Securities accepted for payment in the Tender Offer with the proceeds of the 2026 Bonds, cash on hand or other sources of liquidity, if any, subject to the Aggregate Tender Cap.

Conditions of the Tender Offer

Notwithstanding any other provision of the Tender Offer and in addition to and not in limitation of) Gonzaga University’s right to extend or amend the Tender Offer, Gonzaga University shall not be required to accept for purchase, purchase or pay for, and may delay acceptance for purchase of, any tendered Securities, subject to Rule 14e-1(c) promulgated under the Exchange Act, and may terminate the Tender Offer, if, before such time any Securities have been accepted for purchase pursuant to the Tender Offer, the Financing Conditions shall not have been satisfied or waived, or any of the following events or conditions exist or shall occur and remain in effect or shall be determined by Gonzaga University in its sole judgment to exist or to have occurred:

- any general suspension of trading in, or limitation on prices for, trading in securities in the United States securities or financial markets or any other significant adverse change in the United States securities or financial markets, (ii) any significant changes in the prices for the Securities, (iii) a material impairment in the trading market for debt securities generally, (iv) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (v) any limitation (whether or not mandatory) by any governmental authority on, or other event that, in the sole judgment of Gonzaga University, might affect the

nature or extension of credit by banks or other lending institutions in the United States, (vi) any attack on, outbreak or escalation of hostilities, acts of terrorism or any declaration of a national emergency, commencement of war, armed hostilities or other national or international crisis directly or indirectly involving the United States or (vii) any significant adverse change in the United States currency exchange rates or securities or financial markets generally or, in the case of any of the foregoing existing on the date hereof, a material acceleration, escalation or worsening thereof;

- the existence of an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction that shall have been enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the sole judgment of Gonzaga University, would or would be reasonably likely to prohibit, prevent or materially restrict or delay the consummation of the Tender Offer or that is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Gonzaga University or its subsidiaries or would materially impair the contemplated benefits of the Tender Offer or be material to Holders of Securities in deciding whether to accept the Tender Offer;

- any instituted or pending action or proceeding before or by any court or governmental, regulatory or administrative agency or instrumentality, or by any other person, that challenges the making of the Tender Offer or is reasonably likely to directly or indirectly prohibit, prevent, restrict or delay the consummation of the Tender Offer or otherwise adversely affect the Tender Offer in any material manner;

- the existence of any other actual or threatened legal impediment (including a default under an agreement, indenture or other instrument or obligation to which Gonzaga University or any of its affiliates is a party or by which Gonzaga University or any of its affiliates is bound) to the Tender Offer or any other circumstances that would materially adversely affect the transactions contemplated by any Tender Offer, or the contemplated benefits to Gonzaga University or its affiliates of the Tender Offer;

- the actual or prospective occurrence of any event or events that, in the sole judgment of Gonzaga University, could prevent, restrict or delay consummation of the Tender Offer or materially impair the contemplated benefits of the Tender Offer to Gonzaga University or its affiliates;

- any change or development, including any prospective change or development, that in the sole judgment of Gonzaga University, has or may have a material adverse effect on Gonzaga University, the market price of the Securities or the value of the Securities to Gonzaga University; or

- for any reason, the 2026 Bonds are not issued.

The “Financing Conditions” means: (a) the successful completion of the Proposed Financing, including the issuance of the 2026 Bonds, the proceeds of which will be sufficient, together with cash on hand or other sources of liquidity, if any, to (x) fund the purchase of all Securities, subject to the Aggregate Tender Cap, validly tendered and accepted for purchase pursuant to this Invitation to Tender and (y) pay all fees and expenses associated with the issuance of the 2026 Bonds and this Invitation to Tender; (b) Gonzaga University’s obtaining satisfactory and sufficient economic benefit as a result of the consummation of this Invitation to Tender when taken together with the Proposed Financing, all on terms and conditions that are in Gonzaga University’s best interest in its sole discretion; and (c) the other conditions set forth in this subsection. Gonzaga University reserves the right, subject to applicable law, to amend or waive any of the conditions to this Invitation to Tender, in whole or in part, at any time prior to the Expiration Date or from time to time, in its sole discretion. This Invitation to Tender may be withdrawn at any time prior to the Expiration Date. For more information regarding the procedures for tendering your Securities, see “The Terms of the Tender Offer— Procedures for Tendering” herein.

The conditions described above are solely for Gonzaga University’s benefit and may be asserted by Gonzaga University regardless of the circumstances giving rise to any such condition, including any action or inaction by Gonzaga University, and may be waived by Gonzaga University, in whole or in part, at any time and from time to time prior to the Expiration Date. Gonzaga University’s failure at any time to exercise any of its rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

The Tender Offer is not conditioned upon the tender of any minimum principal amount of the Securities. Gonzaga University reserves the right to increase or decrease the Aggregate Tender Cap in its sole discretion, subject to compliance with applicable law. Gonzaga University may also seek to optionally redeem or repay any of its other outstanding indebtedness. As of the date of this Invitation to Tender, we are not obligated to undertake any such optional redemption or repayment under the documentation governing such indebtedness.

Extension, Amendment or Termination of the Tender Offer

Gonzaga University expressly reserves the right, subject to applicable law, to:

- delay accepting Securities, extend any Expiration Date, Price Determination Date, Withdrawal Deadline or Early Tender Date, or terminate the Tender Offer and not accept any or all Securities; and
- amend, modify or waive at any time, or from time to time, the terms of the Tender Offer in any respect, including waiving any conditions to the consummation of the Tender Offer.

If Gonzaga University exercises any such right, Gonzaga University will give written notice thereof to the Tender and Information Agent and will make a public announcement thereof as promptly as practicable. Such announcement in the case of an extension of any Expiration Date or Early Tender Date will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date or Early Tender Date, respectively.

The minimum period during which the Tender Offer will remain open following material changes in the terms or in the information concerning the Tender Offer will depend upon applicable law, and in particular Rule 14e-1 promulgated under the Exchange Act, and the facts and circumstances of such change, including the relative materiality of the change. If any of the terms of the Tender Offer are amended in a manner determined by Gonzaga University to constitute a material change adversely affecting any Holder, Gonzaga University will promptly disclose any such amendment in a manner reasonably calculated to inform Holders of such amendment, and Gonzaga University will extend the Tender Offer for a time period that Gonzaga University deems appropriate, depending upon the significance of the amendment and the manner of disclosure to Holders.

Subject to applicable law, Gonzaga University expressly reserves the right, in its sole discretion, to amend, extend or terminate the Tender Offer. If the Tender Offer is terminated at any time, the Securities tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.

Procedures for Tendering

General

The following summarizes the procedures to be followed by all Holders in tendering their Securities. The tender by a Holder pursuant to the procedures set forth herein will constitute an agreement between such Holder and Gonzaga University in accordance with the terms and subject to the conditions set forth in this Invitation to Tender.

How to Tender Securities

All Securities are held in book-entry form. Any beneficial owner whose Securities are held in book-entry form through a custodian bank, broker, dealer, commercial bank, trust company or other nominee and who wishes to tender Securities should contact such custodian bank, broker, dealer, commercial bank, trust company or other nominee promptly and instruct such nominee to submit instructions on such beneficial owner's behalf. In some cases, the custodian bank, broker, dealer, commercial bank, trust company or other nominee may request submission of such instructions on a beneficial owner's instruction form. Please check with your nominee to determine the procedures for such firm.

To tender Securities that are held through DTC, DTC participants must electronically transmit their acceptance through ATOP (and thereby tender Securities) and deliver the tendered Securities by book-entry transfer to the Tender and Information Agent. There are no guaranteed delivery procedures for the Tender Offer and there will be no letter of transmittal for the Tender Offer.

Any acceptance of an Agent's Message (as defined below) transmitted through ATOP is at the election and risk of the person transmitting such Agent's Message and delivery will be deemed made only when actually received by the Tender and Information Agent. No documents should be sent to Gonzaga University, the trustee or the Dealer Manager.

By tendering Securities pursuant to the Tender Offer, the Holder will be deemed to have represented and warranted as to the matters provided herein, including that such Holder has full power and authority to tender, sell, assign and transfer the Securities tendered thereby and that when such Securities are accepted for purchase and paid for by Gonzaga University, Gonzaga University will acquire good title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right. If a Holder tenders less than all of the Securities of the CUSIP owned by such Holder, the Holder will also be deemed to have represented and warranted that, immediately following such tender, such Holder beneficially owns Securities of such CUSIP in an aggregate principal amount of at least the authorized denomination. The Holder will also be deemed to have agreed to, upon request, execute and deliver any additional documents deemed by the Tender and Information Agent or by Gonzaga University to be necessary or desirable to complete the sale, assignment and transfer of the Securities tendered thereby and that the Holder is otherwise accepting the Tender Offer upon the terms and subject to the conditions set forth in this Invitation to Tender.

By tendering Securities pursuant to the Tender Offer, the Holder will be deemed to have agreed that the delivery and surrender of the Securities is not effective, and the risk of loss of the Securities does not pass to the Tender and Information Agent, until receipt by the Tender and Information Agent of a properly transmitted Agent's Message together with all accompanying evidences of authority and any other required documents in a form satisfactory to Gonzaga University. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Securities will be determined by Gonzaga University, in its sole discretion, which determination shall be final and binding.

The Tender and Information Agent will establish an account with respect to the Securities at DTC for purposes of the Tender Offer, and any financial institution that is a participant in DTC may make book-entry delivery of Securities by causing DTC to transfer such Securities into the Tender and Information Agent's account in accordance with DTC's procedures for such transfer. However, although delivery of Securities may be effected through book-entry transfer into the Tender and Information Agent's account at DTC, an Agent's Message, and any other required documents, must, in any case, be transmitted to and received by the Tender and Information Agent at its address set forth on the back cover of this Invitation to Tender prior to or at the Early Tender Date in order to be eligible to receive the Total Consideration, or prior to or at the Expiration Date in order to be eligible to receive the Late Tender Offer Consideration. The confirmation of a book-entry transfer into the Tender and Information Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation." **Delivery of documents to DTC does not constitute delivery to the Tender and Information Agent.**

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Tender and Information Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express and unconditional acknowledgment from the participant in DTC described in such Agent's Message, stating (i) the aggregate principal amount of Securities that have been tendered by such participant pursuant to the Tender Offer, (ii) that such participant has received the Invitation to Tender and agrees to be bound by the terms of the Tender Offer as described therein, and (iii) that Gonzaga University may enforce such agreement against such participant.

Holders desiring to tender Securities must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC prior to the Expiration Date or the Early Tender Date, as the case may be.

Participation by Holders of any Securities that have been insured in the secondary market is subject to the terms, conditions and availability of such offer by the respective insurer, custodian, paying agent or registrar.

Minimum Tender Denomination; Partial Tenders

Securities may be tendered only in principal amounts equal to the authorized minimum denominations of \$1,000 and any integral multiple of \$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Holders who

tender less than all of their Securities must continue to hold Securities in the minimum authorized denomination of \$1,000 principal amount.

If the entire principal amount of the Securities is not tendered or not accepted for purchase, the principal amount of such Securities not tendered or not accepted for purchase will be returned by credit to the account at DTC designated in the Agent's Message, unless otherwise requested by such Holder.

Other Matters

Notwithstanding any other provision of the Tender Offer, payment of the Total Consideration or Late Tender Offer Consideration, as applicable, plus Accrued Interest in exchange for Securities tendered and accepted for purchase pursuant to the Tender Offer will occur only after timely compliance with the procedures for tender specified in this Invitation to Tender. Tenders of Securities pursuant to the procedures described above, and acceptance thereof by Gonzaga University, will constitute a binding agreement between the tendering Holder and Gonzaga University upon the terms and subject to the conditions of the Tender Offer as set forth in this Invitation to Tender. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of all tenders and withdrawals of Securities will be determined by Gonzaga University, in its sole discretion, the determination of which shall be final and binding. **Alternative, conditional or contingent tenders will not be considered valid.** Gonzaga University reserves the right, in its sole discretion, to reject any or all tenders of Securities that are not in proper form or the acceptance of which would, in its opinion, be unlawful. Gonzaga University also reserves the right, in its sole discretion, to waive any defects, irregularities or conditions of tender as to particular Securities or to grant Holders an opportunity to cure any defect or irregularity in connection with tenders within such time as it determines. A waiver of one defect does not obligate waivers of other defects. Tenders of Securities shall not be deemed to have been made until all defects and irregularities have been waived by Gonzaga University or cured. None of Gonzaga University, its Board of Trustees and Board of Members, the Dealer Manager, the Tender and Information Agent and any other person will be under any duty to give notice of any defects or irregularities in tenders of Securities or will incur any liability to Holders for failure to give any such notice. Gonzaga University's interpretations of the terms and conditions of the Tender Offer will be final and binding.

Compliance with "Short Tendering" Rule in the Tender Offer

It is a violation of Rule 14e-4 promulgated under the Exchange Act for any person acting alone or in concert with others, directly or indirectly, to tender Securities in a partial tender offer for such person's own account unless at the time of tender and at the Expiration Date such person has a "net long position" in the Securities that is equal to or greater than the amount tendered and will deliver or cause to be delivered such Securities for the purpose of tendering to Gonzaga University within the period specified in the Tender Offer. Rule 14e-4 also provides a similar restriction applicable to the tender on behalf of another person. A tender of Securities in the Tender Offer made pursuant to any method of delivery set forth herein will constitute the tendering Holder's representation and warranty to Gonzaga University that (a) such Holder has a "net long position" in Securities at least equal to the Securities being tendered within the meaning of Rule 14e-4, and (b) such tender of Securities complies with Rule 14e-4.

Acceptance of Securities for Purchase; Payment for Securities

Subject to the terms and conditions of the Tender Offer, Gonzaga University will accept for purchase, and pay for, the Securities of each CUSIP, subject to the Aggregate Tender Cap, upon the satisfaction or waiver of the conditions to the Tender Offer specified under "—Conditions of the Tender Offer." Gonzaga University will promptly pay for the Securities accepted for purchase in connection with the Tender Offer on the Settlement Date.

Gonzaga University expressly reserves its rights, in its sole discretion, but subject to applicable law, to (1) delay acceptance for purchase of Securities tendered pursuant to the Tender Offer or the payment for Securities accepted for purchase (subject to Rule 14e-1 under the Exchange Act, which requires that Gonzaga University pay the consideration offered or return Securities deposited by or on behalf of the Holders promptly after the termination or withdrawal of the Tender Offer), or (2) terminate the Tender Offer at any time prior to acceptance. For purposes of the Tender Offer, Gonzaga University will be deemed to have accepted for purchase validly tendered Securities (or defectively tendered Securities with respect to which it has waived such defect) if, as and when Gonzaga University gives oral (promptly confirmed in writing) or written notice thereof to the Tender and Information Agent.

Gonzaga University will pay for Securities accepted for purchase in the Tender Offer by depositing such payment in cash directly with DTC. Payment by Gonzaga University shall for all purposes be deemed to have been completed upon its deposit with DTC of the Total Consideration and Late Tender Offer Consideration, as applicable, plus Accrued Interest. Under no circumstances will Gonzaga University pay interest on the applicable Total Consideration or Late Tender Offer Consideration by reason of any delay on the part of DTC in making payment to Holders.

If, for any reason, acceptance for purchase of, or payment for, validly tendered Securities pursuant to the Tender Offer is delayed, or Gonzaga University is unable to accept for purchase or to pay for validly tendered Securities pursuant to the Tender Offer, then the Tender and Information Agent may, nevertheless, on behalf of Gonzaga University, retain the tendered Securities, without prejudice to the rights of Gonzaga University described under “—Procedures for Tendering” and “—Conditions of the Tender Offer” above and “—Withdrawal of Tenders” below, but subject to Rule 14e-1 under the Exchange Act, which requires that Gonzaga University pay the consideration offered or return the Securities tendered promptly after the termination or withdrawal of the Tender Offer.

If any tendered Securities are not accepted for purchase for any reason pursuant to the terms and conditions of the Tender Offer, such Securities will be promptly credited to an account maintained at DTC or otherwise returned without cost to the tendering Holders.

Gonzaga University may transfer or assign, in whole or from time to time in part, to one or more of its affiliates or any third party the right to purchase any or all of the Securities tendered pursuant to the Tender Offer, but any such transfer or assignment will not relieve Gonzaga University of its obligations under the Tender Offer and will in no way prejudice the rights of tendering Holders to receive payment for Securities validly tendered and accepted for purchase pursuant to the Tender Offer.

Tendering Holders of Securities purchased in the Tender Offer will not be obligated to pay brokerage commissions or fees to the Dealer Manager, the Tender and Information Agent, or Gonzaga University or to pay transfer taxes with respect to the purchase of their Securities. Holders should check with their own brokers to determine if they will assess a fee (such fees, if any, will be payable by the Holders). Gonzaga University will pay all other charges and expenses in connection with the Tender Offer. See “Dealer Manager and Tender and Information Agent.”

Withdrawal of Tenders

Tenders of Securities made prior to the Withdrawal Deadline may be validly withdrawn at any time prior to or at the Withdrawal Deadline, but not thereafter. Securities tendered at or after the Withdrawal Deadline may not be withdrawn at any time, unless Gonzaga University amends the Tender Offer, in which case withdrawal rights may be extended as Gonzaga University determines, to the extent required by law, appropriate to allow tendering Holders a reasonable opportunity to respond to such amendment. Gonzaga University, in its sole discretion, may extend the Withdrawal Deadline for any purpose.

Securities withdrawn prior to the Withdrawal Deadline may be tendered again prior to the Early Tender Date or the Expiration Date, as applicable, in accordance with the procedures set forth in this Invitation to Tender. Subject to applicable law, Gonzaga University may increase or decrease the Aggregate Tender Cap without extending or reinstating withdrawal rights.

For a withdrawal of a tender of Securities to be effective, the Tender and Information Agent must receive a written or facsimile transmission notice of withdrawal or a properly transmitted “Request Message” through ATOP prior to or at the Withdrawal Deadline. Any such notice of withdrawal must (a) specify the name of the participant in the book-entry transfer facility whose name appears on the security position listing as the owner of such Securities, (b) contain the description of the Securities to be withdrawn and the aggregate principal amount represented by such Securities and (c) specify the name and number of the account at the book-entry transfer facility to be credited with withdrawn Securities.

A withdrawal of Securities may only be accomplished if done so prior to or at the Withdrawal Deadline and in accordance with the foregoing procedures.

Holders of Securities tendered after the Early Tender Date but prior to or at the Expiration Date will not be eligible to receive the Total Consideration; rather, if their Securities are validly tendered and accepted for purchase, Holders of

Securities tendered after the Early Tender Date but prior to or at the Expiration Date will be eligible to receive the Late Tender Offer Consideration.

Withdrawal Rights

Subject to applicable law, Gonzaga University may at any time increase or decrease the Aggregate Tender Cap in its sole discretion and is not required to extend the Withdrawal Deadline in connection with any such increase or decrease. If Holders tender more Securities than they expect to be accepted for purchase by Gonzaga University based on the Aggregate Tender Cap and Gonzaga University subsequently increases the Aggregate Tender Cap on or after the Withdrawal Deadline, such Holders will not be able to withdraw any of their previously tendered Securities. **Accordingly, Holders should not tender any Securities that they do not wish to be accepted for purchase.**

Gonzaga University will not be able to definitively determine whether the Tender Offer is oversubscribed or what the effects proration may be with respect to the Securities until after the Early Tender Date or the Expiration Date have passed, as applicable. Therefore you will not be able to withdraw tenders of your Securities at the time Gonzaga University establishes the amount of Securities to be purchased pursuant to the Tender Offer.

Other

Gonzaga University will determine, in its sole discretion, all questions as to the form and validity (including time of receipt) of any notice of withdrawal of a tender, which determination shall be final and binding. None of Gonzaga University, its Board of Trustees and Board of Members, the Dealer Manager, the Tender and Information Agent, and any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal of a tender or incur any liability for failure to give any such notification.

The Securities issued by Gonzaga University are obligations of Gonzaga University and are governed by the respective indentures under which the Securities were issued, as amended or supplemented to date. There are no appraisal or other similar statutory rights available to Holders in connection with the Tender Offer.

MARKET AND TRADING INFORMATION

The Securities are neither listed on any national or regional securities exchange nor reported on a national quotation system. To the extent that the Securities are traded, prices and trading volumes of the Securities can be difficult to monitor. Quotations for securities that are not widely traded, such as the Securities, may differ from actual trading prices and should be viewed as approximations. Holders are urged to obtain current information with respect to market prices for the Securities.

CERTAIN SIGNIFICANT CONSIDERATIONS FOR HOLDERS

In deciding whether to participate in the Tender Offer, each Holder should consider carefully, in addition to the information contained in and incorporated by reference in this Invitation to Tender, the following considerations:

Limited Trading Market

Historically, the trading market for the Securities has been limited. To the extent that Securities are tendered and accepted in the Tender Offer, the trading market for such Securities will likely become further limited. A bid for a debt security with a smaller outstanding principal amount available for trading or “float,” may be lower than a bid for a comparable debt security with a greater float. Therefore, the market price for and liquidity of Securities of a series not purchased in the Tender Offer may be affected adversely to the extent that the principal amount of Securities purchased pursuant to the Tender Offer reduces the float of any particular series. The reduced float may also tend to make the trading price of the Securities of such series more volatile.

Holders of unpurchased Securities may attempt to obtain quotations for their Securities from their brokers. However, there can be no assurance that an active trading market will exist for the Securities following consummation of the Tender Offer. The extent of the public market for the Securities following consummation of the Tender Offer will depend upon a number of factors, including the size of the float, the number of Holders remaining at such time, and the interest in maintaining a market in the Securities on the part of securities firms.

Position of Gonzaga University Concerning the Tender Offer

None of Gonzaga University, its Board of Trustees and Board of Members, the Dealer Manager, the Tender and Information Agent, and the trustee with respect to the Securities is making any recommendation as to whether Holders should tender any Securities in response to the Tender Offer, and neither Gonzaga University nor any such other person has authorized any person to make any such recommendation. Holders are urged to evaluate carefully all information in this Invitation to Tender, including Appendix A attached hereto or incorporated by reference herein, consult their own investment and tax advisors and make their own decisions whether to tender some or all of their Securities.

The Amount of Securities That Will Be Accepted for Purchase is Uncertain

Securities tendered prior to the Withdrawal Deadline may be validly withdrawn at any time prior to or at the Withdrawal Deadline. Securities tendered at or after the Withdrawal Deadline may not be withdrawn at any time, unless Gonzaga University amends the Tender Offer, in which case withdrawal rights may be extended as Gonzaga University determines, to the extent required by law, appropriate to allow tendering Holders a reasonable opportunity to respond to such amendment. The amount of Securities accepted for purchase will depend on several factors, including without limitation (i) the aggregate amount of Securities that are tendered and (ii) subject to applicable law, the right of Gonzaga University at any time to increase or decrease the Aggregate Tender Cap in its sole discretion without extending the Withdrawal Deadline.

Consequently, the amount of Securities purchased in the Tender Offer will not be known until after the Early Tender Date or the Expiration Date and may be subject to proration as described herein. If Holders tender more Securities in the Tender Offer than they expect to be accepted for purchase based on the Aggregate Tender Cap or otherwise, and Gonzaga University subsequently increases the Aggregate Tender Cap on or after the Withdrawal Deadline, such Holders will not be able to withdraw any of their previously tendered Securities after the Withdrawal Deadline. Accordingly, Holders should not tender any Securities that they do not wish to be accepted for purchase.

Early Tender Premium for Securities Tendered At or Prior to the Early Tender Date

You must validly tender your Securities at or prior to the Early Tender Date in order to be eligible to receive the Total Consideration, which includes the Early Tender Premium. If you validly tender your Securities after the Early Tender Date but at or prior to the Expiration Date, you will only be eligible to receive the Late Tender Offer Consideration, which does not include the Early Tender Premium.

If any Securities are purchased in the Tender Offer, Securities validly tendered at or prior to the Early Tender Date will be accepted for purchase in priority to other Securities validly tendered after the Early Tender Date. Accordingly, if the Aggregate Tender Cap is reached in respect of tenders of all Securities made at or prior to the Early Tender Date, no Securities that are tendered after the Early Tender Date will be accepted for purchase unless the Aggregate Tender Cap is increased by Gonzaga University, in its sole discretion. There can be no assurance that Gonzaga University will increase the Aggregate Tender Cap.

Conditions to the Consummation of the Tender Offer

The consummation of the Tender Offer is subject to satisfaction of the conditions of the Tender Offer, including the Financing Conditions. Gonzaga University intends to fund the purchase price of all Securities accepted for payment in the Tender Offer with the proceeds of the 2026 Bonds, cash on hand or other sources of liquidity, if any, subject to the Aggregate Tender Cap. If the Financing Conditions are not met, the Tender Offer may be canceled or reduced in size at Gonzaga University's sole determination. These conditions are described in more detail in this Invitation to Tender under "The Terms of the Tender Offer—Conditions to the Tender Offer." There can be no assurance that such conditions will be met with respect to the Tender Offer.

Holders Should Consult their Tax, Accounting, Financial and Legal Advisers before Participating in the Tender Offer

Holders should consult their tax, accounting, financial and legal advisers as they may deem appropriate regarding the suitability to themselves of the tax, accounting, financial and legal consequences of participating or declining to participate in the Tender Offer. In particular, due to the number of different jurisdictions where tax laws may apply to a Holder, this

Invitation to Tender does not discuss all tax consequences for Holders arising from the purchase by Gonzaga University of the Securities. Holders are urged to consult their professional advisers regarding the possible tax consequences under the laws of the jurisdictions that apply to them. Holders are liable for their own taxes (other than certain transfer taxes) and have no recourse to Gonzaga University, the Dealer Manager, the Tender and Information Agent or the trustee for the Securities with respect to taxes (other than certain transfer taxes) arising in connection with the Tender Offer. See “Summary of Certain Federal Income Tax Consequences” for a discussion of certain U.S. federal income tax considerations relating to the Tender Offer.

Treatment of Securities Not Tendered in the Tender Offer

Securities not tendered and purchased in the Tender Offer will remain outstanding. The terms and conditions governing the Securities, including the covenants and other protective provisions contained in the 2016 Indenture, will remain unchanged. No amendments to the 2016 Indenture or other documents executed in connection with the Securities are being sought.

Gonzaga University is not obligated to, nor can there be any assurance that Gonzaga University will, redeem or otherwise repurchase any Securities that are not tendered and accepted in the Tender Offer. Statements of intent in this Invitation to Tender shall not constitute a notice of redemption or repurchase under the applicable indenture. Any such notice, if made, will only be made in accordance with the provisions of the applicable indenture.

OTHER PURCHASES OF SECURITIES

Following consummation or termination of the Tender Offer, Gonzaga University and its affiliates reserve the right to acquire the Securities from time to time otherwise than pursuant to the Tender Offer through open market purchases, privately negotiated transactions, one or more additional tender or exchange offers or otherwise, on pricing terms that may or may not be equal to the Total Consideration or Late Tender Offer Consideration, as applicable, plus Accrued Interest, or to exercise any of Gonzaga University’s rights (including redemption rights) under the 2016 Indenture. There can be no assurance as to which, if any, of these alternatives or combination thereof that Gonzaga University or its affiliates will choose to pursue in the future.

SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following is a general summary of the U.S. federal income tax consequences for tendering holders of the Securities. No assurances can be given that future changes in U.S. federal income tax laws will not alter the conclusions reached herein. The discussion below does not purport to deal with U.S. federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular investor in the Securities in light of the investor’s particular circumstances or to certain types of investors subject to special treatment under U.S. federal income tax laws. Tendering holders of Securities should note that no rulings have been or will be sought from the Internal Revenue Service (the “IRS”), and no assurance can be given that the IRS will not take contrary positions, with respect to any of the U.S. federal income tax consequences discussed below. This U.S. federal income tax discussion is included for general information only and should not be construed as a tax opinion nor tax advice by Gonzaga University, or any of its advisors or agents, to the holders of the Securities, and such holders therefore should not rely upon such discussion.

The tender of a Security will be a taxable event for U.S. federal income tax purposes. A holder of Securities who tenders its Securities for cash pursuant to this Invitation to Tender generally will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized, which is generally the purchase price received by the holder, and the holder’s adjusted tax basis in its tendered Securities. The gain or loss may be capital gain or loss or may be ordinary income or loss, depending on the particular circumstances of the holder of the Securities. The deductibility of capital losses is subject to various limitations. A Security holder’s amount realized and adjusted tax basis are determined as set forth in the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder.

HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE TENDER OF THE SECURITIES PURSUANT TO THIS INVITATION TO TENDER.

DEALER MANAGER AND TENDER AND INFORMATION AGENT

Gonzaga University has retained Morgan Stanley & Co. LLC as Dealer Manager, and Globic Advisors Inc. as the Tender and Information Agent, in connection with the Tender Offer. Gonzaga University has agreed to pay the Dealer Manager and the Tender and Information Agent customary fees for their services in connection with the Tender Offer. Gonzaga University has also agreed to reimburse the Dealer Manager and the Tender and Information Agent for certain of their out-of-pocket expenses.

The Dealer Manager and/or its affiliates, in the ordinary course of business, makes markets in securities of Gonzaga University, including the Securities. As a result, from time to time, the Dealer Manager and/or its affiliates may own certain of the securities of Gonzaga University, including the Securities. To the extent that the Dealer Manager or an affiliate of the Dealer Manager owns Securities during the Tender Offer, they may tender such Securities pursuant to the terms of the Tender Offer. The Dealer Manager is not obligated to make a market in the Securities.

In the ordinary course of business, the Dealer Manager and its affiliates have in the past provided, currently provide, and may in the future from time to time provide, investment banking and general financing and commercial banking services to Gonzaga University and certain of its affiliates, including the provision of credit facilities, and/or the performance of financial advisory services for Gonzaga University and its affiliates, for which they received, or will receive, customary fees and expenses.

In addition to its role as a Dealer Manager for the Securities, Morgan Stanley & Co. LLC is also serving as the underwriter for the 2026 Bonds as described in the Preliminary Official Statement for the 2026 Bonds.

Neither the Dealer Manager nor the Tender and Information Agent assumes any responsibility for the accuracy or completeness of the information concerning Gonzaga University or the Securities contained or referred to in this Invitation to Tender or in the documents incorporated by reference herein or for any failure by Gonzaga University to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Dealer Manager is not acting as a financial or municipal advisor to Gonzaga University in connection with the Tender Offer.

NONE OF GONZAGA UNIVERSITY, ITS BOARD OF TRUSTEES AND BOARD OF MEMBERS, THE DEALER MANAGER, THE TENDER AND INFORMATION AGENT, AND THE TRUSTEE WITH RESPECT TO ANY SECURITIES IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER ANY SECURITIES IN RESPONSE TO THE TENDER OFFER, AND NEITHER GONZAGA UNIVERSITY NOR ANY SUCH OTHER PERSON HAS AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER ANY OF THEIR SECURITIES AND, IF SO, THE PRINCIPAL AMOUNT OF SECURITIES TO TENDER.

MISCELLANEOUS

Gonzaga University is not aware of any jurisdiction in which the making of the Tender Offer is not in compliance with the laws of such jurisdiction. If Gonzaga University becomes aware of any jurisdiction where the making of the Tender Offer would not be in compliance with such laws, Gonzaga University will make a good faith effort to comply with any such laws. If, after such good faith effort, Gonzaga University cannot comply with any such applicable laws, the Tender Offer will not be made to the Holders of Securities residing in such jurisdiction.

No person has been authorized to give any information or make any representations on Gonzaga University's behalf that is not contained in this Invitation to Tender, and, if given or made, that information or representation should not be relied upon as having been authorized.

SCHEDULE A: Formula for Determining Total Consideration and Accrued Interest

YLD	= The Repurchase Yield expressed as a decimal number.
CF _i	= The aggregate amount per \$1,000 principal amount scheduled to be paid on the Securities on the “i-th” out of the N remaining interest payment dates for the Securities. Scheduled payments include interest and, on the par call or maturity date, as applicable, principal.
N	= The number of remaining interest payment dates for the Securities from, but excluding, the date of payment of the Total Consideration to and including their par call or maturity date, as applicable.
S	= The number of days from and including the last interest payment date for the Securities to but excluding the Settlement Date. The number of days is computed using the 30/360 day count method in accordance with market convention.
/	= Divide. The term immediately to the left of the division symbol is divided by the term immediately to the right of the division symbol before any other addition or subtraction operations are performed.
exp	= Exponentiate. The term to the left of “exp” is raised to the power indicated by the term to the right of “exp.”
$\sum_{i=1}^N$	= Summate. The term in the brackets to the right of the summation symbol is separately calculated “N” times (substituting for “i” in that term each whole number between 1 and N, inclusive), and the separate calculations are then added together.
Accrued Interest	= Accrued and unpaid interest per \$1,000 principal amount of the Securities from and including the last interest payment date for the Securities to, but excluding, the Settlement Date.
Total Consideration	= The price per \$1,000 principal amount of a Security (excluding Accrued Interest). A tendering Holder will receive a total amount per \$1,000 principal amount (rounded to the nearest cent) equal to the Total Consideration plus Accrued Interest.
Formula for Total Consideration	= $\sum_{i=1}^N \left[\frac{CF_i}{(1 + YLD / 2)^{\exp(i - S / 180)}} \right] - \text{Accrued Interest}$
Late Tender Offer Consideration	= Total Consideration – Early Tender Payment

Any questions regarding procedures for tendering Securities or requests for additional copies of this Invitation to Tender should be directed to the Tender and Information Agent.

The Information Agent and Tender Agent for the Tender Offer is:

Globic Advisors Inc.
477 Madison Avenue, 6th Floor
New York, New York 10022
Tel: (212) 227-9699
Attn: Robert Stevens
E-mail: info@globic.com
Document Site: www.globic.com/gonzaga

If a Holder has questions about the Tender Offer or the procedures for tendering Securities, the Holder should contact the Tender and Information Agent or the Dealer Manager at their respective telephone numbers.

The Dealer Manager for the Tender Offer is:

Morgan Stanley & Co. LLC
1585 Broadway, 11th Floor
New York, NY 10036
Tel: (212) 761-9085
Attn: Oliver Zlomislic
E-mail: oliver.zlomislic@morganstanley.com

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APPENDIX A

**Preliminary Official Statement for the Proposed 2026 Bonds
(attached)**

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PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 5, 2026

NEW ISSUE
BOOK-ENTRY ONLY

RATING: Moody's: "A2" (negative outlook)
See "RATING"

In the opinion of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel, under existing law and subject to certain qualifications described herein, the interest on the Bonds is excludable from gross income for federal income tax purposes. In addition, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds may affect the federal alternative minimum tax applicable to certain corporations. See "TAX MATTERS."

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY



\$50,000,000* REVENUE AND REFUNDING REVENUE BONDS
(GONZAGA UNIVERSITY PROJECT), SERIES 2026



Dated: Date of Delivery

Due: April 1, as shown on inside front cover

The Washington Higher Education Facilities Authority (the "Authority"), a public body corporate and politic and an agency of the State of Washington (the "State"), is issuing its Revenue and Refunding Revenue Bonds (Gonzaga University Project), Series 2026 (the "Bonds"), pursuant to an Indenture of Trust (the "Indenture") to be dated as of February 1, 2026, between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Bonds are being issued in fully registered form in denominations of \$5,000 or any integral multiple thereof in excess of \$5,000 within a maturity, initially in book-entry only form registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive certificates representing their interests in the Bonds, except as described herein. For so long as the Bonds are held in book-entry only form by DTC, the principal of and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to direct participants of DTC is the responsibility of DTC, and disbursement of such payments to the owners of beneficial interests in the Bonds is the responsibility of direct and indirect participants of DTC.

The Authority will lend the proceeds of the Bonds to The Corporation of

GONZAGA UNIVERSITY

(the "University"), a Washington nonprofit corporation, pursuant to a Loan Agreement to be dated as of February 1, 2026 (the "Loan Agreement"), by and among the Authority, the Trustee and the University. The Bond proceeds are being loaned for the purposes of: (1) providing a portion of the funds to finance the planning, design, construction, installation, acquisition and equipping of facilities located on the University's campus; (2) refunding certain outstanding obligations issued to finance and refinance University facilities, including by effecting the 2013B Bond Redemption and the 2016A Bond Tender (each as defined herein); and (3) paying certain expenses incurred in connection with the issuance of the Bonds. See "THE PROJECT."

The Bonds will bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date to their maturity or earlier redemption, payable semiannually on April 1 and October 1 of each year and commencing April 1, 2026.

The Bonds are subject to acceleration of maturity and to redemption prior to maturity as described herein.

The Bonds are issued under and secured by the Indenture and are special, limited obligations of the Authority payable solely from the sources pledged in the Indenture, which consist primarily of Loan Payments required to be made by the University under the Loan Agreement. Pursuant to the Indenture, the Authority has conveyed to the Trustee as security for the Bonds the Trust Estate, which includes certain funds established by the Indenture and the Authority's right to receive Loan Payments from the University under the Loan Agreement. The University's obligations to make payments under the Loan Agreement are general obligations of the University secured by a security interest in a portion of the University's Unrestricted Gross Revenues, which security interest also secures other outstanding obligations of the University, all as described herein.

The Bonds are not and never shall become general obligations of the Authority but are special, limited obligations payable by the Authority solely and only from the Revenues (as defined in the Indenture) and the other security pledged in the Indenture for such purpose. The Bonds and the interest thereon do not and never shall constitute a debt or an indebtedness or an obligation of the Authority, the State, or any county, city, or other municipal or political corporation or subdivision of the State, or a loan of the faith or credit or the taxing power of any of them, within the meaning of any constitutional or statutory provisions, nor shall the Bonds be construed to create any moral obligation on the part of the Authority, the State, or any county, city, or other municipal or political corporation or subdivision of the State with respect to the payment of the Bonds. The Bonds shall not be payable from the general revenues of the Authority, and neither the Authority nor the State nor any political corporation, subdivision, or agency thereof will be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those specifically pledged therefor. The Authority has no taxing power.

The Authority has *not* designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This cover page contains certain information for quick reference only and is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and received by the Underwriter, and subject to the opinion of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel, as to the validity of the Bonds, the exclusion of interest on the Bonds from gross income for federal income tax purposes, and the approval of certain other matters for the Authority. Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, Seattle, Washington, as counsel to the Underwriter, and by Kutak Rock, LLP, Spokane, Washington, as disclosure counsel and special counsel to the University. It is expected that the Bonds will be available for delivery in New York, New York, through the facilities of DTC, or to the Trustee on behalf of DTC by Fast Automated Securities Transfer (FAST), on or about February 5, 2026.*

Morgan Stanley

Dated _____, 2026.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

**\$50,000,000¹ REVENUE AND REFUNDING REVENUE BONDS
(GONZAGA UNIVERSITY PROJECT), SERIES 2026**

<u>Maturity Date (April 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.²</u>
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¹ Preliminary; subject to change.

² CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers herein have been provided by CUSIP Global Services (“CGS”), managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CUSIP service. CUSIP numbers have been assigned by an independent company not affiliated with the Board and are provided solely for convenience and reference. None of the Authority, the University, the Trustee, or the Underwriter take responsibility for the accuracy of the CUSIP numbers.

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

**1000 Second Avenue
Seattle, Washington 98104
(206) 464-7139**

**BOB FERGUSON, Chair, Ex Officio Member
Governor, State of Washington**

**DENNY HECK, Ex Officio Member
Lieutenant Governor, State of Washington**

**MICHAEL MEOTTI, Ex Officio Member
Board Treasurer, Executive Director, Washington Student Achievement Council**

**ALLAN BELTON
Public Member, Board Secretary
University President (Pacific Lutheran University)**

**DR. GENE SHARRATT
Public Member**

**SHILPA TIWARI
Public Member**

**SERGIO GARCIA
Public Member**

STEVE WALKER, Executive Director

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
Trustee**

**THE CORPORATION OF GONZAGA UNIVERSITY,
Borrower**

**NORTH SLOPE CAPITAL ADVISORS,
Borrower's Financial Advisor**

No dealer, broker, salesperson or other person has been authorized by the Authority, the University, or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement and, if given or made, such information or representations 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 offer, solicitation or sale of the Bonds, by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so or to any person to whom it is unlawful to make such offer, solicitation, or sale.

The information set forth herein has been obtained from the Authority, the University, DTC, and other sources which the University believes to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Authority, except with respect to the information under “INTRODUCTION – The Authority,” “THE AUTHORITY,” and “MATERIAL LITIGATION – The Authority,” or by the Underwriter, except with respect to the information under “UNDERWRITING” and the following sentence. The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information set forth in this Official Statement in accordance with, and as part of, its responsibility 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. All other information set forth herein has been obtained from the University or from another identified source (other than the Authority and the Underwriter).

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the University or any other party described herein since the date as of which such information is presented.

Information on web site addresses set forth in this Official Statement is not incorporated into this Official Statement and cannot be relied upon to be accurate as of the date of this Official Statement, nor can any such information be relied upon in making investment decisions regarding the Bonds.

Statements in this Official Statement that are not historical information are forward-looking statements within the meaning of the federal securities laws. These forward-looking statements include the discussions of the University’s expectations regarding the operation of the University and other matters. In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe,” and similar expressions are intended to identify forward-looking statements. Although the University believes that its expectations regarding future events are based on reasonable assumptions within the scope of its knowledge, the University can give no assurance that its goals will be achieved or that its expectations regarding future developments will be realized. The forward-looking statements in this Official Statement—including those set forth in Appendix A—are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by these statements.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

In connection with the offering of the Bonds, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

This Preliminary Official Statement has been deemed final within the meaning of paragraph (b)(1) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended.

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OFFICIAL STATEMENT

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

\$50,000,000* REVENUE AND REFUNDING REVENUE BONDS (GONZAGA UNIVERSITY PROJECT), SERIES 2026

INTRODUCTION

This Introduction does not purport to be complete and reference is made to the entire Official Statement, including the cover page, the inside cover page, the appendices, and the documents referred to herein for more complete statements with respect to the matters summarized. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture (as defined below), as set forth in Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS – DEFINITIONS OF CERTAIN TERMS.”

The purpose of this Official Statement is to set forth certain information in connection with the issuance and sale by the Washington Higher Education Facilities Authority (the “Authority”) of its Revenue and Refunding Revenue Bonds (Gonzaga University Project), Series 2026, in the aggregate original principal amount of \$50,000,000* (the “Bonds”).

The Bonds

The Bonds are being issued pursuant to chapter 28B.07 of the Revised Code of Washington (“RCW”), a resolution of the Authority, and an Indenture of Trust (the “Indenture”) to be dated as of February 1, 2026, between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The Bonds will be dated the date of their initial issuance and delivery and will be issued in fully registered form in denominations of \$5,000 and any integral multiple thereof within a maturity (each, an “Authorized Denomination”). Interest on the Bonds is payable on April 1 and October 1 of each year commencing April 1, 2026, and will be calculated on the basis of a 360-day year of twelve 30-day months. Subject to acceleration of maturity and redemption prior to maturity, the Bonds will mature on April 1 in the years and in the amounts, and bear interest at the rate per annum, set forth on the inside cover.

The Bonds are subject to acceleration and to redemption prior to maturity as provided in the Indenture. See “THE BONDS – Redemption Provisions” and Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS – THE INDENTURE – Events of Default and Remedies.”

The Bonds initially will be held in fully immobilized form by The Depository Trust Company, New York, New York (“DTC”), acting as depository pursuant to the terms and conditions set forth in the Blanket Issuer Letter of Representations signed by the Authority and accepted by DTC with respect to the immobilization of Authority bonds, including the Bonds (the “Letter of Representations”). For so long as Outstanding Bonds are registered in the name of CEDE & CO., or its registered assigns, as nominee of DTC, payments of principal of and interest on the Bonds will be made at the place and in the manner

* Preliminary; subject to change.

provided in the Letter of Representations. See “THE BONDS – Book-Entry Only System” and Appendix F – “DTC AND ITS BOOK-ENTRY ONLY SYSTEM.”

Purpose of the Bonds

The Authority will lend the proceeds of the Bonds to The Corporation of Gonzaga University (the “University”), a Washington nonprofit corporation, pursuant to a Loan Agreement (the “Loan Agreement”) to be dated as of February 1, 2026, by and among the Authority, the Trustee and the University, for the purposes of: (1) providing a portion of the funds to finance the planning, design, construction, installation, acquisition and equipping of facilities located on the University’s campus; (2) refunding certain outstanding obligations issued to finance and refinance University facilities, including by effecting the 2013B Bond Redemption and the 2016A Bond Tender (each as defined herein); and (3) paying certain expenses incurred in connection with the issuance of the Bonds. See “THE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The Authority

The Authority is a public body corporate and politic and an agency of the State of Washington (the “State”). The Authority is authorized to issue nonrecourse revenue bonds in order to make funds available to private, nonprofit higher education institutions in the State for the purpose of financing and refinancing the building, improvement, expansion and modernization of higher education facilities. See “THE AUTHORITY.”

The University

The University is a Washington nonprofit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The University is a coeducational, privately endowed university offering undergraduate liberal arts, professional, and graduate degrees. The University was incorporated in 1894 as Gonzaga College and changed its name to Gonzaga University in 1912. The University is located on a 152-acre campus in a residential area near the heart of downtown Spokane, Washington, and currently serves over 7,000 students. The University is governed by a Board of Trustees currently consisting of 28 elected Trustees and one ex officio Trustee, a Board of Members currently consisting of 9 members, as well as a 60-member Board of Regents that serves in an advisory capacity. See Appendix A – “SELECTED INFORMATION CONCERNING THE UNIVERSITY INCLUDING UNAUDITED FINANCIAL INFORMATION” and Appendix B – “AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE UNIVERSITY.”

Security for the Bonds

The Bonds are special, limited obligations of the Authority payable solely from the Revenues (as defined below) and the other security pledged in the Indenture for such purpose. The Bonds are issued under and are equally and ratably secured by the Indenture. Pursuant to the Indenture, the Authority has assigned to the Trustee substantially all of its right, title and interest in the Loan Agreement, including its right to receive Loan Payments to be made by the University thereunder. Under the Loan Agreement, the University is obligated to make Loan Payments in amounts sufficient to pay the principal of and interest on the Bonds when due pursuant to their terms or upon the redemption or acceleration thereof. Pursuant to the Indenture, the Trustee is required, immediately upon receipt, to deposit into the Debt Service Fund all Loan Payments made by the University under the Loan Agreement.

The obligations of the University under the Loan Agreement are evidenced by a promissory note (the “Note”). Under the Note and the Loan Agreement, the University is required to deliver to the Trustee,

on or before the fifth Business Day immediately before each Interest Payment Date, an amount equal to the principal of and interest on the Bonds due on that Interest Payment Date. The Trustee is required to deposit such funds in the Debt Service Fund, and to use such funds to pay debt service on the Bonds.

The obligations of the University under the Loan Agreement constitute a general obligation of the University to which certain of the University's Unrestricted Gross Revenues are pledged.

Pursuant to the Eighth Amended and Restated Intercreditor and Collateral Agency Agreement to be dated as of the date of issuance of the Bonds, among (a) U.S. Bank National Association, in its capacity as trustee for (i) the Authority's Taxable Revenue Bonds (Gonzaga University Project), Series 2013B (the "2013B Bonds"), (ii) the University's Revenue and Refunding Taxable Bonds, Series 2016A (the "2016A Bonds"), and (iii) the Authority's Revenue Bonds (Gonzaga University Project), Series 2019A and Taxable Refunding and Revenue Bonds (Gonzaga University Project), Series 2019B (together, the "2019 Bonds") (collectively in such capacities, together with its successors and assigns, the "2013/2016/2019 Bond Trustee"); (b) U.S. Bank Trust Company, National Association, in its capacity as trustee for (i) the Authority's Revenue Bonds (Gonzaga University Project), Series 2022 (the "2022 Bonds"), (ii) the Authority's Refunding Revenue Bonds (Gonzaga University Project), Series 2023 (Forward Delivery) (the "2023 Bonds"), and (iii) the Bonds (collectively in such capacities, together with its successors and assigns, the "2022/2023/2026 Bond Trustee" and together with the 2013/2016/2019 Bond Trustee, the "Bond Trustee"); (c) Washington Trust Bank, on its own behalf, under a Business Loan Agreement (the "Business Loan Agreement") (together with its successors and assigns, "Washington Trust Bank"); (d) U.S. Bank National Association, on its own behalf, under a Credit Agreement with the University dated as of December 1, 2013 (the "U.S. Bank Credit Agreement") (together with its successors and assigns, "U.S. Bank Credit Agreement Lender"); and (e) U.S. Bank Trust Company, National Association, in its capacity as the successor Collateral Agent (in such capacity, the "Collateral Agent"), and (f) acknowledged by the University (the "Intercreditor and Collateral Agency Agreement"), the pledge of University's Unrestricted Gross Revenues and certain pledged accounts (the "Collateral") with respect to the Authority's obligations under the Indenture will be on parity with the pledge that secures payment of the 2013B Bonds, the 2016A Bonds, the 2019 Bonds, the 2022 Bonds, the 2023 Bonds, the Business Loan Agreement, and the U.S. Bank Credit Agreement. The Intercreditor and Collateral Agency Agreement contemplates that additional secured parties may become parties to such agreement and that additional indebtedness may, in the future, be secured by interests in the Collateral on a parity with the Bonds. All parties to the Intercreditor and Collateral Agency Agreement will share in the Collateral on a pooled basis on the terms and conditions described in the Intercreditor and Collateral Agency Agreement.

The Bonds are not secured by any debt service reserve fund or a mortgage, deed of trust, or other security interest in any real property of the University.

See "SECURITY FOR THE BONDS."

The Bonds are not and never shall become general obligations of the Authority but are special, limited obligations payable by the Authority solely and only from the Revenues and the other security pledged in the Indenture for such purpose. The Bonds and the interest thereon do not and never shall constitute a debt or an indebtedness or an obligation of the Authority, the State, or any county, city, or other municipal or political corporation or subdivision of the State, or a loan of the faith or credit or the taxing power of any of them, within the meaning of any constitutional or statutory provisions, nor shall the Bonds be construed to create any moral obligation on the part of the Authority, the State, or any county, city, or other municipal or political corporation or subdivision of the State with respect to the payment of the Bonds. The Bonds shall not be payable from the general revenues of the Authority, and neither the Authority nor the State nor any

political corporation, subdivision, or agency thereof will be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those specifically pledged therefor. The Authority has no taxing power.

Bondowners' Risks

See "CERTAIN BONDOWNERS' RISKS" for a discussion of certain of risks and considerations associated with an investment in the Bonds.

Additional Information

This Official Statement includes information concerning the Authority, the University, the security for the Bonds, and the expected uses of proceeds of the Bonds, together with summaries of the terms of the Bonds and certain provisions of the Indenture, the Loan Agreement, the Intercreditor and Collateral Agency Agreement, and certain other documents related thereto. All references herein to agreements or documents are qualified in their entirety by the definitive forms thereof, copies of which are available for inspection at the corporate trust office of the Trustee at 1420 Fifth Avenue, 11th Floor, Seattle, Washington 98101, Attention: Global Corporate Trust Services.

THE BONDS

General

The Bonds will be dated as of Bond Closing and will be issued in fully registered form in Authorized Denominations. Each Bond will bear interest from the later of Bond Closing or the most recent date to which interest has been paid or made available for payment pursuant to the Indenture. Interest on the Bonds is payable on April 1 and October 1 of each year commencing April 1, 2026, and will be calculated on the basis of a 360-day year of twelve 30-day months. Each Bond will bear interest at the rate then in effect on such Bond. Subject to acceleration of maturity and redemption prior to maturity, the Bonds will mature on April 1 in the year and in the amount and bear interest at the rate per annum set forth on the inside cover.

Payments on the Bonds

The principal of and interest on the Bonds are payable in lawful money of the United States of America. As to any Bond, the Bondowner will be deemed and regarded as the absolute owner thereof for all purposes. Payment of principal of any Bonds will be made only to or upon the order of the Bondowner or his/her attorney duly authorized in writing as of the date of such payment. Payment of the interest on any Bonds will be made only to or on the order of the Bondowner or his/her attorney duly authorized in writing as of the Record Date or, if applicable, Special Record Date.

Bonds Held By DTC. For so long as Outstanding Bonds are registered in the name of CEDE & CO., or its registered assigns, as nominee of DTC, payments of principal of and interest on the Bonds will be made at the place and in the manner provided in the Letter of Representations. See "Book-Entry Only System" below and Appendix F – "DTC AND ITS BOOK-ENTRY ONLY SYSTEM."

Bonds No Longer Held by DTC. If the Bonds are no longer registered in the name of DTC or its nominee:

(1) The principal of each Bond will be payable upon the presentation and surrender of such Bond, when due, at the Principal Office of the Bond Registrar.

(2) Payment of interest on each Bond will be made to the Registered Owner thereof as specified on the records of the Bond Registrar on the opening of business on the 15th day of the month preceding a scheduled Interest Payment Date (the “Record Date”) with respect to such Interest Payment Date irrespective of the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date, unless the Authority defaults in the payment of interest due on such Interest Payment Date.

(3) Each interest payment on each Bond will be paid (a) by check or draft mailed by first-class mail to such Registered Owner on the Interest Payment Date at his address as it appears on the Bond Register on the Record Date or, at the option of any Registered Owner, (b) by wire transfer to an account designated in writing by such Registered Owner prior to the Record Date with an acknowledgment that the then applicable wire fee of the Trustee will be deducted from the wire, or (c) by Automatic Clearinghouse Transfers at no cost to the Owner in next day funds if such Owner shall have requested in writing a payment by such method and shall have provided the Bond Registrar with an account number in a bank within the United States and other necessary information for such purposes prior to the Record Date.

(4) In the event of any default in the payment of interest, such defaulted interest shall be payable to the Registered Owner of such Bond on a Special Record Date for the payment of such defaulted interest established by notice mailed by or on behalf of the Authority to Registered Owners.

Book-Entry Only System

The Bonds, when issued, will be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Letter of Representations. For so long as any Bonds are held in fully immobilized form, DTC, its successor, or any substitute depository appointed by the Authority, as applicable, will be deemed to be the Registered Owner for all purposes under the Indenture and all references to Registered Owners, Bondowners, Owners, or the like will mean DTC or its nominees and will not mean the owners of any beneficial interests in the Bonds. See Appendix F – “DTC AND ITS BOOK-ENTRY ONLY SYSTEM.”

Neither the Authority, the University, the Trustee, nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by DTC or DTC participants of any amount in respect of principal or redemption price of or interest on the Bonds, or any notice which is permitted or required to be given to Registered Owners under the Indenture (except such notice as is required to be given by the Authority, the Bond Registrar, or the Trustee to DTC).

Redemption Provisions*

Optional Redemption. The Bonds maturing on or after April 1, 20__ may be redeemed, in whole or in part, upon not less than 45 days' written notice from the University to the Trustee (with copy to the Authority) on any day on or after April 1, 20____, at a price of par plus accrued interest to the date of redemption.

The Trustee is to give notice to Bondowners of any optional redemption of Bonds in accordance with the Indenture; provided, that if the redemption is intended to be paid with the proceeds of refunding bonds, conditional notice may be given at the written request of the University to the Trustee.

Mandatory Sinking Fund Redemption. The Bonds scheduled to mature on April 1, 20__ are subject to mandatory sinking fund redemption on the following dates and in the following amounts at a price of par plus accrued interest to the date fixed for redemption:

Bonds Scheduled to Mature on April 1, 20__

Date (April 1)	Amount
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* Final maturity.

In the event that such Bonds have been optionally redeemed, defeased, or purchased for cancellation, the remaining mandatory sinking fund redemptions are to be reduced pro rata in Authorized Denominations unless other written instructions are given by the University.

Extraordinary Mandatory Redemption – Unspent Bond Proceeds. The Bonds are subject to redemption in whole or in part, on February 1, 2029 unless such date is extended in accordance with the Loan Agreement, in an amount equal to the Loan proceeds (plus any interest earnings thereon) remaining in the Project Account at the close of business on December 15, 2028 (or the 15th day of the second month preceding the month in which any extension of such date set for redemption ends).

Extraordinary Mandatory Redemption – Determination of Taxability. The Bonds are subject to redemption in whole or in part as soon as practicable following receipt by the Trustee of written notice from the Authority, the University, or Bond Counsel of a Determination of Taxability, or in order to prevent a Determination of Taxability (in the amount determined by Bond Counsel to be necessary to preserve the tax-exemption of interest on Bonds which will remain Outstanding thereafter, if any). “Determination of Taxability” and “Event of Taxability” have the meanings ascribed thereto in the Indenture, as set forth in Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS – DEFINITIONS OF CERTAIN TERMS.”

Partial Redemption. All or a portion of any Bond may be redeemed, but only in a principal amount equal to an Authorized Denomination.

In the event of a partial redemption pursuant to the optional redemption or extraordinary mandatory redemption provisions described above, the maturity or maturities of Bonds to be redeemed up to the allocable amount are to be selected pro rata unless other written instructions are given by the

* Preliminary; subject to change.

University. Within each maturity, the particular Bonds to be redeemed are to be selected randomly. The mandatory sinking fund redemptions, if any, are to be reduced on a proportionate basis with remaining amounts in Authorized Denominations.

Notice of Redemption. For so long as the Bonds are held in fully immobilized form by DTC, notice to the Registered Owner of each Bond is to be given in accordance with the Letter of Representations. See Appendix F – “DTC AND ITS BOOK-ENTRY ONLY SYSTEM.”

The Trustee is to give notice of redemption not less than 20 days and not more than 60 days prior to the date fixed for redemption. All notices of redemption are to be sent by first-class mail, postage prepaid, to the Registered Owner of each Bond to be redeemed at the address of such Registered Owner as shown on the Bond Register. Neither the failure of a Bondowner to receive notice by mail nor any defect in any notice so mailed will affect the validity of the proceedings for such redemption. Any notice so mailed will be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice.

Notice of any optional redemption may be given on a conditional basis if redemption is subject to the scheduled closing of refunding bonds. Any notice of optional redemption given on a conditional basis may be rescinded by written notice given to the Trustee by the University Representative no later than five Business Days prior to the date specified for redemption. The Trustee is to give notice of such rescission as soon thereafter as practicable in the same manner as notice of such redemption was given.

Effect of Redemption. Unless notice of redemption was conditioned upon the issuance of refunding bonds which were not issued, if notice of redemption has been given as provided in the Indenture and has not been rescinded, the Bonds or portions thereof designated for redemption shall become due and payable on the date fixed for redemption and, unless the Authority defaults in the payment of the principal thereof, premium, if any, and interest thereon, such Bonds or portions thereof will cease to bear interest from and after the date fixed for redemption whether or not such Bonds are presented and surrendered for payment on such date. If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion thereof will continue to bear interest at the rate set forth thereon until paid or until due provision is made for the payment of same.

Purchase of Bonds

The Authority, at the direction of the University, has reserved the right to direct the Trustee to acquire Bonds in the open market from amounts on deposit in the Debt Service Fund or from other available funds of the University. All Bonds so purchased are to be canceled.

Transfer and Exchange of Bonds

Bonds Held By DTC. Registered ownership of Bonds registered in the name of CEDE & Co. as the nominee of DTC, or any portions thereof, may not be transferred except: (1) to any successor of DTC or its nominee, if that successor is qualified under any applicable laws to provide the services proposed to be provided by it; (2) to any substitute depository appointed by the Authority or such substitute depository's successor; or (3) to any Person as described below if the Bonds are no longer held in immobilized form. See Appendix F – “DTC AND ITS BOOK-ENTRY ONLY SYSTEM.” Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or a determination by the Authority to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Authority may appoint a substitute depository.

Bonds No Longer Held By DTC. If the Bonds are no longer held in fully immobilized form:

(1) The registration of ownership of the Bonds may be transferred only in the Bond Register. Upon surrender for transfer of any Bonds at the Principal Office of the Bond Registrar duly endorsed for transfer or accompanied by an assignment duly executed, by the Registered Owner or his/her attorney duly authorized in writing, the Authority will cause to be executed, and the Bond Registrar is to authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds in Authorized Denomination(s) in the aggregate principal amount, series, and maturity shown on the Bond Register.

(2) The Bonds may be exchanged at the Principal Office of the Bond Registrar for Bonds of Authorized Denomination(s) and of the same series and maturity in the aggregate principal amount shown on the Bond Register. The Authority will cause to be executed and the Trustee is to authenticate and deliver Bonds which the Registered Owner making the exchange is entitled to receive, bearing numbers not then outstanding.

(3) The Bond Registrar is not required to transfer or exchange any Bonds after notice calling such Bonds for redemption has been given as herein provided, nor during the period between a Record Date and the next succeeding Interest Payment Date for such Bonds.

SECURITY FOR THE BONDS

Limited Obligations

The Bonds are special, limited obligations of the Authority payable solely from the Revenues and the other security pledged in the Indenture for such purpose. Pursuant to the Indenture, the Authority has assigned to the Trustee substantially all of its right, title, and interest in the Loan Agreement, including its right to receive Loan Payments to be made by the University thereunder. Under the Loan Agreement, the University is obligated to make Loan Payments in amounts sufficient to pay the principal of and interest on the Bonds when due pursuant to their terms or upon the redemption or acceleration thereof. The obligations of the University under the Loan Agreement constitute a general obligation of the University to which certain of the University's Unrestricted Gross Revenues are pledged.

The Bonds are not and never shall become general obligations of the Authority but are special, limited obligations payable by the Authority solely and only from the Revenues and the other security pledged in the Indenture for such purpose. The Bonds and the interest thereon do not and never shall constitute a debt or an indebtedness or an obligation of the Authority, the State, or any county, city, or other municipal or political corporation or subdivision of the State, or a loan of the faith or credit or the taxing power of any of them, within the meaning of any constitutional or statutory provisions, nor shall the Bonds be construed to create any moral obligation on the part of the Authority, the State, or any county, city, or other municipal or political corporation or subdivision of the State with respect to the payment of the Bonds. The Bonds shall not be payable from the general revenues of the Authority, and neither the Authority nor the State nor any political corporation, subdivision, or agency thereof will be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those specifically pledged therefor. The Authority has no taxing power.

See “CERTAIN BONDOWNERS’ RISKS” for a discussion of certain of risks associated with an investment in the Bonds.

Pledge of the Trust Estate Under the Indenture

To secure the payment of the principal of and interest on the Bonds, the Authority pledges and assigns to the Trustee, pursuant to the Indenture, all of its right, title, and interest in the Trust Estate, which includes:

- (1) the Authority’s right, title, and interest in the Loan and the Loan Documents (subject to the reservation of certain rights by the Authority);
- (2) the security interest in the Pledged Revenues under the Loan Agreement;
- (3) the right to receive and collect the Revenues; and
- (4) all Revenues conveyed or assigned to the Trustee or held by the Trustee in any Fund or Account established under the Indenture, together with investment earnings thereon, but excluding (a) money held by the Trustee in the Cost of Issuance Fund and the Rebate Fund and (b) money collected pursuant to reimbursement or indemnification of the Authority and the Trustee.

“Revenues” means the amounts pledged under the Indenture to the payment of the principal of and interest on the Bonds, including the following: (1) money held in the Funds and Accounts established under the Indenture (excluding the Cost of Issuance Fund and the Rebate Fund), together with investment earnings thereon received by the Trustee; and (b) all income, revenues, proceeds, obligations, securities and other amounts received by the Trustee and derived from or in connection with the Loan or the Loan Documents, but excluding amounts payable as the Authority Fee, the Rating Agency Surveillance Fee, the Trustee Fee, the Rebate Amount, or the fee for the calculation of the Rebate Amount and the indemnification or reimbursement of the Authority and the Trustee.

“Pledged Revenues” means Unrestricted Gross Revenues to the extent pledged by the University under the Loan Agreement to the payment of amounts owed under the Loan and the Loan Agreement. See “Obligations of the University Under the Loan Agreement” below.

Obligations of the University Under the Loan Agreement

Under the Note and the Loan Agreement, the University is required to deliver to the Trustee, on or before the fifth Business Day immediately before each Interest Payment Date, an amount equal to the principal of and interest on the Bonds due on that Interest Payment Date. The Trustee is required to deposit such funds in the Debt Service Fund, and to use such funds to pay debt service on the Bonds.

The obligations of the University under the Loan Agreement constitute a general obligation of the University secured by a security interest granted under the Loan Agreement in (1) Unrestricted Gross Revenues, which security interest is on a parity basis with certain other security interests pursuant to the Intercreditor and Collateral Agency Agreement as contemplated therein (the “Pledged Revenues”), and (2) the University’s interests, if any, in the Project Fund and the Debt Service Fund held by the Trustee under the Indenture.

“Unrestricted Gross Revenues” means all moneys, fees and tuition (net of institutional financial aid and other discounts or waivers), rates, receipts, rentals, licensing fees, charges, issues and income

received or derived by the University, the operation of the University, or its facilities or any other source whatsoever, as reported on the University’s Audited Consolidated Financial Statements of activities, including, without limitation, gifts, bequests, grants, devises, contributions, moneys received from the operation of the University’s business or the possession of its properties, insurance proceeds or condemnation awards, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of the same whether now owned or held or hereafter coming into being, but excluding gifts, grants, devises, bequests and contributions designated by the maker to a specific purpose inconsistent with their use for payment of principal of, premium, if any, and interest on Indebtedness or for the payment of operating expenses of the University and further excluding any gifts, grants, devises, bequests or contributions received by any foundation or other legal entity created by but separate from the University. Unrestricted Gross Revenues excludes revenues from facilities constructed or acquired after October 1, 2009, which revenues are pledged to obligations (other than bonds or Indebtedness having a parity lien on the Unrestricted Gross Revenues with the University’s obligations under the Loan Agreement and/or the Bonds) incurred to finance such new facilities.

Outstanding Obligations and Expected Issuance of Additional Indebtedness

Pursuant to the Intercreditor and Collateral Agency Agreement, the pledge of the Collateral with respect to the Authority’s obligations under the Indenture will be on parity with the pledge that secures payment of the 2013B Bonds, the 2016A Bonds, the 2019 Bonds, the 2022 Bonds, the 2023 Bonds, the Business Loan Agreement, and the U.S. Bank Credit Agreement. The Intercreditor and Collateral Agency Agreement contemplates that additional secured parties may become parties to such agreement and that additional indebtedness may, in the future, be secured by interests in the Collateral on parity with the Bonds. All parties to the Intercreditor and Collateral Agency Agreement will share in the Collateral on a pooled basis on the terms and conditions described in the Intercreditor and Collateral Agency Agreement. See “Intercreditor and Collateral Agency Agreement” below.

The following table illustrates the outstanding principal amount of the University’s indebtedness as secured under that certain Seventh Amended and Restated Intercreditor and Collateral Agency Agreement, dated March 31, 2022, by and among the 2013/2016/2019 Bond Trustee, the trustee for the 2022 Bonds and the 2023 Bonds, Washington Trust Bank, the U.S. Bank Credit Agreement Lender, and the Collateral Agent, and as acknowledged by the University, which agreement will be amended and restated by the Intercreditor and Collateral Agency Agreement on Bond Closing to secure the Bonds.

Indebtedness	Principal Amount Outstanding ¹
2013B Bonds ²	\$ 20,000,000
2016A Bonds ³	108,275,000
2019A Bonds	44,685,000
2019B Bonds	13,680,000
2022 Bonds	9,475,000
2023 Bonds	32,030,000
Business Loan Agreement	0
U.S. Bank Credit Agreement	0
Total	\$ 228,145,000

¹ As of December 31, 2025.

² Subject to market conditions, a portion of the 2013B Bonds are expected to be refunded with proceeds of the Bonds.

³ Subject to market conditions, a portion of the 2016A Bonds are expected to be refunded with proceeds of the Bonds through a tender purchase offer.

For information regarding the debt service requirements on the University's outstanding obligations, see Appendix A – "SELECTED INFORMATION CONCERNING THE UNIVERSITY INCLUDING UNAUDITED FINANCIAL INFORMATION – Financial Condition of the University – Annual Debt Service Requirements" and Appendix B – "AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE UNIVERSITY – Note 13 – Bonds Payable."

The University has reserved the right to incur additional debt and encumber the Pledged Revenues. The University does not expect to incur additional debt within the next year.

Intercreditor and Collateral Agency Agreement

In connection with the issuance of the Bonds, (a) U.S. Bank National Association, in its capacity as trustee for (i) the 2013B Bonds, (ii) the 2016A Bonds, and (iii) the 2019 Bonds; (b) U.S. Bank Trust Company, National Association, in its capacity as trustee for (i) the 2022 Bonds, (ii) the 2023 Bonds, and (iii) the Bonds; (c) Washington Trust Bank, on its own behalf, under the Business Loan Agreement; (d) U.S. Bank National Association, on its own behalf, under the U.S. Bank Credit Agreement; and (e) U.S. Bank Trust Company, National Association, in its capacity as the successor Collateral Agent, will enter into the Intercreditor and Collateral Agency Agreement, which will be acknowledged by the University.

Pursuant to the Intercreditor and Collateral Agency Agreement, the Collateral Agent is appointed as the agent of the parties thereto with respect to the Collateral. The Collateral Agent is authorized to enforce rights and remedies of the secured parties under an Eighth Amended and Restated Security Agreement to be dated as of the date of issuance of the Bonds (the "Security Agreement"), entered into by the University in favor of the Collateral Agent, for the benefit of (i) U.S. Bank National Association, in its capacity as trustee for the 2013B Bonds, the 2016A Bonds, and the 2019 Bonds, (ii) U.S. Bank Trust Company, National Association, as bond trustee for the 2022 Bonds, the 2023 Bonds and the Bonds, (iii) U.S. Bank National Association, as lender under the U.S. Bank Credit Agreement, (iv) Washington Trust Bank, as lender under the Business Loan Agreement; and (v) additional bond trustees and secured creditors (collectively, the "Secured Creditors"). Under the Intercreditor and Collateral Agency Agreement, the parties have agreed that the security interests and liens granted to the Collateral Agent will secure the Secured Obligations (as defined below) on a *pari passu* basis for the benefit of the Collateral Agent and the Secured Creditors, notwithstanding the relative priority or the time of grant, creation, attachment, or perfection of any security interest and liens, if any, of any of the Collateral Agent or any such Secured Creditor.

"Secured Obligations" means (a) all obligations of the University to pay amounts sufficient to pay the principal of, premium, if any, and interest on the 2013B Bonds, the 2016A Bonds, the 2019 Bonds, the 2022 Bonds, the 2023 Bonds and the Bonds, (b) provided the applicable conditions are satisfied to the issuance thereof, all obligations of the University to pay amounts sufficient to pay the principal of and interest on (i) any additional revenue bonds issued by the Authority pursuant to an indenture of trust, the proceeds of which will be loaned to the University, and (ii) any additional indebtedness to be secured under the Intercreditor and Collateral Agency Agreement, (c) all "Obligations" arising under the U.S. Bank Credit Agreement, whether now existing or hereafter arising (and whether arising before or after the filing of a petition in bankruptcy and including all interest accrued after the petition date), due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired, (d) all obligations arising under the Business Loan Agreement, whether now existing or hereafter arising (and whether arising before or after the filing of a petition in bankruptcy and including all interest accrued after the petition date), due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired, and (e) any and all expenses and charges, legal or otherwise, suffered or incurred by the Collateral Agent and the Secured Creditors, and any of them individually, in collecting or enforcing any of such indebtedness, obligations, and liabilities or in realizing on or protecting or

preserving any security therefor, including, without limitation, the lien and security interest granted by the Intercreditor and Collateral Agency Agreement.

The Intercreditor and Collateral Agency Agreement contemplates that additional parties may become secured parties thereunder in the future and that additional indebtedness may be secured by the Pledged Revenues on a parity with the liens or security interests of the original Secured Parties. The rights and remedies of the Trustee, on behalf of Bondowners, under the Indenture with respect to the Pledged Revenues are governed by and subject to the terms and conditions of the Intercreditor and Collateral Agency Agreement. All parties to the Intercreditor and Collateral Agency Agreement share in the Collateral on a pooled basis, on the terms and conditions set forth therein.

No Debt Service Reserve Fund or Property Securing the Bonds

The Bonds are not secured by any debt service reserve fund or a mortgage, deed of trust, or other security interest in any real property of the University.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Bonds are set forth in the following table (amounts in table have been rounded to nearest dollar):

Sources of Funds:

Principal Amount of Bonds	\$
[Net] Original Issue [Premium/(Discount)]	_____
Total Sources	\$ _____

Uses of Funds:

Deposit to Project Account	\$
Deposit to Refunding Account	
Costs of Issuance ⁽¹⁾	_____
Total Uses	\$ _____

(1) Includes Underwriter’s discount, the initial fees of the Authority and Trustee, fees of the rating agencies and University’s Financial Advisor, Verification Agent fees, Dealer Manager fees, Tender and Information Agent fees, legal fees, costs of printing, and other miscellaneous costs of issuance, and rounding amount.

THE PROJECT

Project

The Authority will lend the proceeds of the Bonds to the University pursuant to the Loan Agreement to (1) provide a portion of the funds to finance the below-described Project Facilities located on the University’s campus; (2) refund certain outstanding obligations issued to finance and refinance University facilities as described below under “—Refunding”; and (3) pay certain expenses incurred in connection with the issuance of the Bonds.

Project Facilities

A portion of the Bond proceeds will be loaned to the University to finance the below-described Project Facilities:

Planning, designing, constructing, installing and furnishing of capital improvements to the University's facilities, including the replacement of heating and HVAC systems on six academic buildings, using heat pump technology, designed to improve energy efficiency and building comfort; renovations to certain residence hall restrooms, common spaces and lounges, and the design of a new Welcome Center.

The proposed Project Facilities are located on the University's campus in Spokane, Washington. For a description of the University's facilities, see Appendix A – "SELECTED INFORMATION CONCERNING THE UNIVERSITY INCLUDING UNAUDITED FINANCIAL INFORMATION – The Campus."

Refunding

A portion of the Bond proceeds will be loaned to the University to (i) pay the make-whole redemption price with respect to the portion of the 2013B Bonds to be refunded, and (ii) pay the purchase price with respect to the portion of the 2016A Bonds tendered for purchase, all as more particularly described below.

2013B Bond Redemption. On December 20, 2013, the Authority issued its Taxable Revenue Bonds (Gonzaga University Project), Series 2013 (as previously defined, the "2013B Bonds") pursuant to that certain Indenture of Trust, dated December 1, 2013 (the "2013 Indenture"), by and between the Authority and U.S. Bank National Association, as trustee for the 2013B Bonds (the "2013 Trustee"). A portion of the proceeds of the 2013B Bonds were used to finance and refinance certain capital improvements to the University's facilities, including the Hemmingson Center (University Center Facility) – a four-story 167,000 square foot building providing dining options, curricular and co-curricular meeting spaces, a ballroom, lounges and programming facilities.

Pursuant to the 2013 Indenture, the 2013B Bonds may be redeemed in whole or in part, on any Business Day at the "Make-Whole Redemption Price,"* plus accrued and unpaid interest on the 2013B Bonds to be redeemed on the date fixed for redemption.

Depending on market conditions, a portion of the Bond proceeds are expected to be used to refund a portion of the following 2013B Bonds (the "2013B Bond Refunding Candidates", and as selected on the day of pricing, the "Refunded 2013B Bonds"). As more particularly described in the Indenture, on Bond Closing a portion of the Bonds are to be deposited with and disbursed by U.S. Bank National Association, as the bond trustee for the 2013B Bonds, to pay the make-whole redemption price with respect to the 2013B Refunding Candidates to be refunded (the "2013B Bond Redemption") as illustrated in the table below:

* "Make-Whole Redemption Price" is defined in the 2013 Indenture as the greater of (i) 100% of the principal amount of the 2013B Bonds to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such 2013B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such 2013B Bonds are to be redeemed, discounted to the date on which the 2013B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the "Treasury Rate" (as defined in the 2013 Indenture) plus 35 basis points.

2013B BOND REFUNDING CANDIDATES⁽¹⁾

Series	CUSIP	Maturity Date (April 1)	Interest Rate	Outstanding Principal Amount	Principal Amount to be Redeemed*	Redemption Price ^{*(3)}
2013B Bonds	939781R85	2040 ⁽²⁾	6.00%	\$ 20,000,000	\$	\$

⁽¹⁾ Preliminary; subject to change.

⁽²⁾ Term Bond.

⁽³⁾ Redemption price calculated at the “Make-Whole Redemption Price” as defined in the 2013 Indenture and described above.

Causey Public Finance, LLC, a firm of independent public accountants (the “Verification Agent”), will deliver to the Authority and the University, on or before the Bond Closing, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash, to pay, on the Bond Closing, the make-whole redemption price with respect to the Refunded 2013B Bonds.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided by the Verification Agent by the Authority, the University and their respective representatives. The Verification Agent has restricted its procedures to recalculating the computations provided by the Authority, the University and their respective representatives and has not evaluated or examined the assumptions or information used in the computations.

2016A Bond Tender. On October 20, 2016, the University issued its Revenue and Refunding Taxable Bonds, Series 2016A (as previously defined, the “2016A Bonds”) pursuant to that certain Indenture of Trust, dated October 1, 2016 (the “2016 Indenture”), by and between the University and U.S. Bank National Association, as trustee for the 2016A Bonds (the “2016 Trustee”). A portion of the proceeds of the 2016A Bonds were used to finance and refinance capital improvements to the University’s facilities.

In conjunction with the issuance of the Bonds, the University, with the assistance of Morgan Stanley & Co. LLC, as dealer manager (the “Dealer Manager”) and Globic Advisors Inc., as the information agent and tender agent (the “Tender and Information Agent”), has released an “Invitation to Tender made by The Corporation of Gonzaga University” dated January 5, 2026 (the “Tender Offer”), inviting owners of the 2016A Bonds (the “Invited Bonds”) to tender such 2016A Bonds for purchase by the University on the terms and conditions set forth in the Tender Offer.

A portion of the proceeds from the sale of the Bonds are anticipated to be used for the purposes of defraying the cost of paying, discharging and cancelling certain Invited Bonds selected by the University (the “Tendered Bonds”) in response to the Tender Offer (the “2016A Bond Tender”). Such 2016A Bond Tender is anticipated to close concurrently with the issuance of the Bonds and such Tendered Bonds are anticipated to be purchased and cancelled by the University.

* Preliminary; subject to change.

The University intends to purchase the Tendered Bonds in the amount of the Early Tender Payment (as defined in the Tender Offer) in amounts expected to achieve the University's financing goals. The University's ability to fund the purchase of such Tendered Bonds is based on the issuance of the Bonds and the sizing of the Bonds is dependent, in part, on the results of the Tender Offer.

No assurances can be given that any bondholders will tender any portion of the Invited Bonds, and the University is not obligated to accept any valid or timely tender made by such bondholder. There can be no assurances that the Tender Offer will result in the purchase of any of the Invited Bonds.

This description is not intended to summarize the terms of the Tender Offer or the 2016A Bond Tender, or to solicit offers to tender Invited Bonds, and reference is made to the Tender Offer for a discussion of the terms of the Tender Offer and the conditions for settlement of the Invited Bonds validly tendered and accepted for purchase. The University filed the Tender Offer with the MSRB through its EMMA System.

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As described in the Indenture, on Bond Closing, a portion of the Bond proceeds are to be deposited with and disbursed by U.S. Bank National Association, as the bond trustee for the 2016A Bonds to pay the purchase price with respect to the 2016A Bonds tendered for purchase as illustrated in the table below:

INVITED BONDS⁽¹⁾

Series	CUSIP	Maturity Date (April 1)	Interest Rate	Outstanding Principal Amount	Principal Amount Anticipated to be Tendered for Purchase (Redeemed)*	Anticipated Purchase Price for Tendered Bonds*
2016A Bonds	220062AA1	2046 ⁽²⁾	4.158%	\$ 108,275,000	\$	

⁽¹⁾ Preliminary; subject to change.

⁽²⁾ Term Bond.

THE AUTHORITY

The information under this heading has been provided solely by the Authority and is believed to be reliable, but has not been verified independently by the University or the Underwriter. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the University or the Underwriter.

The Authority was created in 1983 as a public body corporate and politic and an agency of the State. The Authority is authorized to issue nonrecourse revenue bonds in order to make funds available to private, nonprofit higher education institutions in the State for the purpose of financing and refinancing the building, improvement, expansion and modernization of higher education facilities.

The Authority is authorized to make loans to nonprofit entities, to pledge loans as security for the payment of the principal of and interest on its revenue bonds, and to enter into any agreements in connection therewith.

The Authority has seven members and is composed of the persons holding the offices of Governor, Lieutenant Governor, and Chair, or the Chair's designee, of the Washington Student Achievement Council and four public members, one of whom must be president of a higher education institution at the time of appointment. The public members are appointed to four-year terms by the Governor, subject to confirmation by the State Senate, and are selected on the basis of their interest or expertise in the provision of and financing of higher education.

The Governor serves as Chair of the Authority. Pursuant to the Authority's authorizing legislation, the Governor may designate an employee of the Governor's office to attend and vote at meetings on behalf of the Governor. K.D. Chapman-See, Director of the State Office of Financial

* Preliminary; subject to change.

Management, has been so designated. The Authority’s elected secretary presides in the Chair’s absence. The current members of the Authority are as follows:

Bob Ferguson, Chair	Ex Officio Member Governor, State of Washington
Denny Heck	Ex Officio Member Lieutenant Governor, State of Washington
Michael Meotti	Ex Officio Member, Treasurer of the Board, Executive Director, Washington Student Achievement Council
Allan Belton	Public Member, Secretary of the Board President, Pacific Lutheran University
Dr. Gene Sharratt	Public Member
Shilpa Tiwari	Public Member
Sergio Garcia	Public Member

The administration and overall operation of the Authority is the responsibility of its Executive Director, Steve Walker. Mr. Walker is also the Executive Director for the Washington State Housing Finance Commission (the “Housing Finance Commission”), an instrumentality of the State that is empowered to issue nonrecourse revenue bonds to finance housing and nonprofit facilities in the State. The Authority contracts with the Housing Finance Commission for Mr. Walker’s and his staff’s services, including those of Lucas Loranger, Senior Finance Director, and Carol Johnson, Assistant Director.

Each series of bonds or other obligations of the Authority issued for the benefit of a particular higher education institution is secured by a separate trust indenture or financing agreement (in the case of certain private placements). Consequently, each series of obligations of the Authority (with the exception of additional bonds with respect to that series) is separate and distinct as to security and source of payment. The Authority may authorize other series of bonds or other obligations for the financing of projects for other private nonprofit higher education institutions in the State.

As of December 31, 2025, the Authority had issued obligations aggregating \$2,710,698,957.85 in original principal amount. As of December 1, 2025, the Authority had bonds outstanding in the aggregate principal amount of \$631,997,158.41.

THE TRUSTEE

The information under this heading has been provided solely by the Trustee and is believed to be reliable, but has not been verified independently by the Authority, the University or the Underwriter. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Authority, the University or the Underwriter.

The Authority has appointed U.S. Bank Trust Company, National Association as Trustee under the Indenture. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a

member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The mailing address of the Trustee is U.S. Bank National Association, 1420 Fifth Avenue, Eleventh Floor, Seattle, Washington 98101, Attention: Global Corporate Trust Services.

The Trustee is to carry out such duties as are assigned to it under the Indenture, the Loan Agreement, the Intercreditor and Collateral Agency Agreement, and the Security Agreement. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds (except for the certificate of authentication on each Bond), or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Authority of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the Authority or the University. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the expected uses of proceeds of the Bonds or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at <http://www.usbank.com/investment-services/global-corporate-trust.html>. Neither the information on U.S. Bank's website, nor any links from that website, is part of this Official Statement, and such information cannot be relied upon to be accurate as of the date of this Official Statement, nor should any such information be relied upon to make investment decisions regarding the Bonds.

CERTAIN BONDOWNERS' RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Bonds. This discussion is not, and is not intended to be, exhaustive, should be read in conjunction with all other parts of this Official Statement, and should not be considered to be a complete description of all risks that could affect such payments. Prospective purchasers of the Bonds should analyze carefully the information contained in this Official Statement, including the appendices, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Official Statement.

General

An investment in the Bonds involves certain risks, including the risk of nonpayment of interest or principal due to Bondowners and the risk that the Bonds will be redeemed prior to maturity. The enforceability of the University's obligations pursuant to the Loan Agreement may be limited by the laws of the State and the United States with respect to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by the availability of equitable remedies. The Bonds are special, limited obligations of the Authority payable solely from the sources pledged in the Indenture, which consist primarily of Loan Payments required to be made by the University under the Loan Agreement. See "SECURITY FOR THE BONDS." No representation or assurance can be given that the University will realize revenues in amounts sufficient to make the Loan Payments when due under the Loan Agreement and also pay its other expenses and obligations. The realization of future revenues is dependent upon, among other things, the capabilities of the management of the University and future

changes in economic, legal, legislative, regulatory and other conditions that are unpredictable and cannot be determined at this time. The risk of nonpayment or that the Bonds will be redeemed prior to maturity is affected by the following factors, among others, which should be considered by prospective investors, along with other information set forth in this Official Statement, in judging the suitability of an investment in the Bonds. The Bonds may not be a suitable investment for all prospective purchasers. Prospective purchasers should consult their investment advisors before making any decisions as to the purchase of the Bonds.

Limited Obligations

The Bonds are not and never shall become general obligations of the Authority but are special, limited obligations payable by the Authority solely and only from the Revenues and the other security pledged in the Indenture for such purpose. The Bonds and the interest thereon do not and never shall constitute a debt or an indebtedness or an obligation of the Authority, the State, or any county, city, or other municipal or political corporation or subdivision of the State, or a loan of the faith or credit or the taxing power of any of them, within the meaning of any constitutional or statutory provisions, nor shall the Bonds be construed to create any moral obligation on the part of the Authority, the State, or any county, city, or other municipal or political corporation or subdivision of the State with respect to the payment of the Bonds. The Bonds shall not be payable from the general revenues of the Authority, and neither the Authority nor the State nor any political corporation, subdivision, or agency thereof will be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those specifically pledged therefor. The Authority has no taxing power.

Early Redemption

Purchasers of Bonds, including those who purchase Bonds at a price in excess of their principal amount or who hold such a Bond trading at a price in excess of par, should consider the fact that the Bonds are subject to redemption at a price equal to their principal amount plus accrued interest in the event such Bonds are redeemed prior to maturity. See “THE BONDS – Redemption Provisions.”

Adequacy of Revenues

The future financial condition of the University and the University’s ability to perform its obligations under the Loan Agreement are subject, among other things, to the capabilities of University management and future economic and other conditions that are unpredictable. In addition to the obligations of the University under the Loan Agreement, the University may incur additional indebtedness secured on a parity with or subordinate to the Bonds. See “SECURITY FOR THE BONDS.” These factors may adversely affect the University’s revenues and the performance by the University of its obligations under the Loan Agreement. The future financial condition of the University could be adversely affected by, among other things, detrimental State or federal legislation, detrimental State or federal regulatory actions, increased competition from other educational institutions, including State institutions of higher education, decreased demand for higher education services because of higher costs or other reasons, demographic changes, increased costs beyond the ability of the University to control or to increase revenue to offset such increased costs, natural disasters, reduced availability of student financial aid, and tax law changes. See “—Potential Impact of Federal Policy and Executive Action” below.

The ability of the University to generate sufficient revenues to meet its obligations under the Loan Agreement depends on a number of factors, including: (1) the University’s ability to achieve enrollment, tuition, and fundraising at levels sufficient to consistently enjoy operating surpluses and

(2) the University's ability to continue to provide financial aid to its students at sufficient levels, and in sufficiently attractive combinations of scholarships, grants, loans, and work study (if applicable). These factors are in turn affected by numerous future economic and other conditions which could include possible adverse effects such as the loss by the University of its accreditations; destruction or loss of a substantial portion of the University's facilities; litigation; competition; discontinuation of favorable governmental policies and programs with respect to post-secondary education; changes in direction of demographic trends determining the number of college-aged persons in the general population; changes in prospective levels of regional and national economic prosperity; the occurrence of natural, national or international calamities; security breaches in information technology systems; changes in the competitive appeal and perceived quality of the University's curriculum; changes in the demand for post-high school education and for certain degrees; the ability and energy of the faculty and administration; a reduction in the amounts received by the University through fundraising efforts; or a reduction in the value of the University's assets. There can be no assurance that the University's income and receipts will not decrease.

Enrollment

The University believes that the strength of its academic programs, faculty and facilities will cause the demand for its educational programs to remain stable; however, no assurance can be given that demand for its educational programs will remain constant. A number of other economic, demographic, and other circumstances, such as the continuation of federally supported loans, scholarships and grants and federal policies and executive action on immigration, research, federal contracts, diversity equity and inclusion, and other factors not controllable or presently foreseeable by the University could materially adversely affect its future enrollment and expenses of operation. Declining enrollment would decrease the University's income and adversely affect its ability to meet its obligations under the Loan Agreement, as would any significant increase in its operating costs or its inability to decrease operating costs in the face of declining enrollments. No assurances can be given regarding the University's projected future enrollment or its ability to adequately control its operating costs and expenses. See "Appendix A – SELECTED INFORMATION CONCERNING THE UNIVERSITY INCLUDING UNAUDITED FINANCIAL INFORMATION – Comments on the University's Financial Condition—Student Enrollment."

Tuition

A significant portion of the University's operating revenue is provided through tuition and related fees. Although the University has in the past been able to raise tuition and related fees without adversely affecting enrollment, there can be no assurance that it will continue to be able to do so in the future, or that the increase will be in amounts sufficient to offset expenses. Future tuition increases and any adverse change in enrollment could adversely affect the University's financial position and its results of operations. See "Appendix A – SELECTED INFORMATION CONCERNING THE UNIVERSITY INCLUDING UNAUDITED FINANCIAL INFORMATION – Comments on the University's Financial Condition—Student Tuition and Fee Revenues."

Financial Aid

A significant percentage of the University's students receive financial support in the form of State and federally supported loans and scholarships and grants from the University. There can be no assurance that the availability or the amount of State or federally supported loans or other financial aid will remain stable or increase in the future, or that the interest rates borne by State or federally supported loans will remain stable or decrease. If the amount of those loans or other financial aid decreases in the future, or if the interest rates borne by such student loans increases to a degree that causes students to reject them as a source of university funding, there can be no assurance that the University will be able to increase the amount of financial aid provided by it to adequately offset the negative effects of such changes. Changes

in the cost or availability of financial aid could adversely affect the University's enrollment, and could therefore adversely affect the University's financial position and its results of operations. See “—Potential Impact of Federal Policy and Executive Action” below and “Appendix A – SELECTED INFORMATION CONCERNING THE UNIVERSITY INCLUDING UNAUDITED FINANCIAL INFORMATION – Comments on the University's Financial Condition—Financial Aid Programs.”

Gifts, Grants, and Bequests

The University is continuously involved in fund raising activities of various types. Given actual and possible reductions in federal educational and student assistance programs and the increasing cost of operating a quality university, an inability by the University to raise substantial amounts of money from alumni and alumnae and other private sources would have a depressing effect on the University's programs with possible adverse consequences for enrollment and results from operations.

Potential Impact of Federal Policy and Executive Action

Federal policies and associated executive action (and inaction) on the federal budget, federal debt ceiling, taxes, foreign trade and tariffs, immigration, climate change, research, federal contracts, diversity equity and inclusion, clean energy and other topics can shift dramatically from one administration to another. From time to time, such changes can result in dramatic shifts in federal and executive priorities and an administration may use the level of federal funding and other measures to support or compel observance and compliance with such administration's priorities, leading to unpredictability in future federal funding and potential for federal shutdown and/or adverse action by the federal government, including the executive branch.

Since taking office in January 2025, the current administration has moved forward with a range of executive and federal action including cutting spending on a range of federal government programs in multiple federal agencies. Administration actions, including executive orders to implement spending cuts, have been challenged in court and it is not known whether such executive actions will be upheld by courts or potentially legislated by the Congress.

The University is closely monitoring these changes in federal policies and administrative actions and is analyzing the possible impacts on the University community and will continue to evaluate various scenarios related to executive orders and federal action from the administration and associated court actions. Although such actions are preliminary and the full extent of the effect of such actions on the University is yet to be fully understood, there is no assurance that these actions and any future actions will not have a material adverse impact on the University in the future.

See “Appendix A – SELECTED INFORMATION CONCERNING THE UNIVERSITY INCLUDING UNAUDITED FINANCIAL INFORMATION – Comments on the University's Financial Condition—Financial Aid Programs” and “—Student Enrollment.”

Damage or Destruction

Although the University is required to maintain certain insurance as set forth in the Loan Agreement, there can be no assurance that the University will not suffer uninsured losses.

No Reserve Fund, Mortgage or Deed of Trust

The Bonds are not secured by any debt service reserve fund or a mortgage, deed of trust, or other security interest in any real property of the University.

Investment Performance and Earnings

The University's various investment accounts include fixed income securities, equity holdings, real estate, and alternative investments. The past performance and gains in such investments cannot be used as a basis to predict future results. The results in subsequent fiscal years will depend upon the state of general economic conditions and market results of both fixed income and equity securities that may be held by the University from time to time for its investment purposes.

Other Factors Affecting the Financial Performance of the University

One or more of the following factors or events, or the occurrence of other unanticipated factors or events, could adversely affect the University's operations and financial performance to an extent that cannot be determined at this time:

Changes in Management. Changes in key management personnel could affect the capability of the management of the University.

Future Economic Conditions. Increased unemployment, adverse economic conditions, changes in the demographics of the service area of the University, the cost and availability of energy, an inability to control expenses in periods of inflation, and difficulty in increasing charges and other fees while maintaining the quality of educational services could all affect the financial performance of the University.

Competition. Increased competition from other institutions of higher education could adversely affect the enrollment at or revenues of the University, which could force the University to offer discounted rates, or which could adversely affect the ability of the University to attract faculty or other staff.

Organized Labor Efforts. Failure to reach successful agreement with collective bargaining units or additional efforts to organize employees of the University into collective bargaining units could result in adverse labor actions or increased labor costs.

Environmental Matters. Legislative, regulatory, administrative or enforcement action involving environmental controls could adversely affect the operation of the facilities of the University. For example, if property of the University is determined to be contaminated by hazardous materials, the University could be liable for significant clean-up costs even if it were not responsible for the contamination.

Cybersecurity Risks. The University is dependent upon integrated information technology systems. These systems are subject to cyberattacks and other potential breaches. In addition to regulatory fines and penalties resulting from such breaches, the University may become liable for the costs of remediating the breaches, damages to individuals (or classes) whose information has been breached, reputational damage and business loss, and damage to the information technology infrastructure. To mitigate such risks, the University has policies and programs in place to protect its information technology systems and maintains cyber liability coverage for cyber security and data incidents. See "Appendix A – SELECTED INFORMATION CONCERNING THE UNIVERSITY INCLUDING UNAUDITED FINANCIAL INFORMATION – Comments on the University's Financial Condition—*Cybersecurity.*"

Natural Disasters and/or Public Unrest. The occurrence of natural disasters or public unrest could damage the facilities of the University, interrupt services or otherwise impair the operations and ability of the University to produce revenues. More specifically, operation of the University and

collection of revenues is at risk from events of force majeure, such as climate change, damaging storms, earthquakes, winds and floods, fires and explosions, spills of hazardous substances, strikes and lockouts, sabotage, wars, blockades and riots, or civil protests that interrupt revenues, or future outbreaks or pandemics as discussed further below. The University cannot predict the specific timing and severity of future fiscal impacts as a result of other events of force majeure, but the potential impact of such events on the financial condition of the University's ability to pay the principal of and interest on the Bonds as and when due could be significant.

Global Health Emergencies. A pandemic, epidemic or outbreak of an infectious disease can have significant adverse health and financial impacts on global and local economies. Future pandemics like COVID-19 and other widespread public health emergencies may arise from time-to-time and can impact broader economic conditions in the affected region. Public health emergencies may cause an adverse effect on the University's operations, financial condition, and results of operations. Such events may necessitate the suspension or modification of in-person instruction, research activities, housing, dining, athletic events, and other auxiliary enterprises and may result in reduced enrollment, delayed or diminished tuition and fee collections, increased operating and capital costs, workforce disruptions, and volatility in investment returns – all of which could have an adverse effect on the University's Unrestricted Gross Revenues. Additionally, reduced economic activity and its associated impacts, including as a result of the outbreak of infectious disease, such as job losses, income losses, business closures and housing foreclosures or vacancies, and any prolonged recession that may occur, could have a variety of adverse effects on the University's Unrestricted Gross Revenues.

The University cannot predict whether another national or localized outbreak of highly contagious or epidemic disease in the future could negatively impact the University's Unrestricted Gross Revenues, reducing amounts available to pay the principal of and interest on the Bonds.

Possible Limitations on Enforceability of Obligations and Remedies

General. The enforceability of the University's obligations pursuant to the Loan Agreement may be limited by the laws of the State and the United States with respect to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by the availability of equitable remedies. The opinions of Bond Counsel and counsel to the University will so state. The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Loan Agreement and the Indenture. These remedies, in certain respects, 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 Indenture may not be readily available or may be limited. A court may decide not to order the specific performance of these covenants.

Security Interest in Pledged Revenues. The effectiveness of the Loan Agreement and the enforceability of the security interest in the Pledged Revenues may be limited by a number of factors, including: (1) commingling of Pledged Revenues with other money of the University not so pledged; (2) statutory liens; (3) rights arising in favor of the United States of America or any agency thereof (including present or future prohibitions against assignment in any federal statutes or regulations); (4) constructive trusts and equitable or other rights impressed or conferred by a federal or State court in the exercise of its equitable jurisdiction; (5) federal bankruptcy laws that may affect the enforceability of the Loan Agreement or the security interest in Pledged Revenues received by the University within 90 days preceding and after any effectual institution of bankruptcy proceedings by or against the University; (6) rights of third parties in Pledged Revenues converted to cash and not in the possession of the Trustee; (7) claims that might arise under State law with respect to the attachment, perfection, and priority of the security interest that the University has granted in Pledged Revenues, including whether appropriate financing or continuation statements are or have been filed in accordance with the State

Uniform Commercial Code from time to time in effect; (8) claims by a third party payor of Pledged Revenues to the effect that the University's assignment of Pledged Revenues to the Trustee violated the payor's agreement with the University, or lacked the payor's required consent; and (9) delay and/or unwillingness of a court to compel the University to transfer or assign Pledged Revenues to the Trustee.

The University may incur additional obligations to which its Pledged Revenues and other Collateral are pledged in accordance with the terms of the Indenture and the Intercreditor and Collateral Agency Agreement. See "SECURITY FOR THE BONDS."

Bankruptcy. In the event of bankruptcy of the University, the rights and remedies of the Owners are subject to various provisions of the Federal Bankruptcy Code. If the University were to file a petition in bankruptcy, Section 362 of the Federal Bankruptcy Code imposes an automatic stay of the commencement or continuation of any judicial or other proceeding against the University or any act or proceeding to enforce a lien upon or to otherwise exercise control over the property of the University, as well as various other actions to enforce, maintain, or enhance the rights of the Owners. As a result, the ability of the Trustee to enforce the rights of the Owners, including security interests, could be delayed during the pendency of the bankruptcy proceeding. In addition, the Bankruptcy Court may under various circumstances authorize the University to use Pledged Revenues or other Collateral over the objection of the Trustee and the Owners. For example, if the Bankruptcy Court concluded that the interests of the Owners had "adequate protection," it could (1) substitute other security for the security provided for the benefit of the Owners and (2) subordinate the lien of the Owners to (a) to claims by persons supplying goods and services to the debtor after bankruptcy and (b) the administrative expenses of the bankruptcy proceeding. In the event of the bankruptcy of the University, the amount realized by the Owners might depend on a number of factors, including the Bankruptcy Court's interpretation of the "indubitable equivalent" and "adequate protection" under the then-existing circumstances.

The University or one or more of its creditors could file a plan of reorganization in any such proceeding, which plan could include provisions modifying or altering the rights of creditors generally or any class of them, secured or unsecured, including the rights of the Trustee and the Owners. The plan, when confirmed by a court, would bind all creditors who had notice or knowledge of the plan and would bar creditors from taking actions against the University that are inconsistent with the plan. The Federal Bankruptcy Code imposes a number of procedural and substantive conditions to confirmation of a plan of reorganization. Among others, the proponent of the plan must satisfy the Bankruptcy Court that the plan is feasible, that confirmation of the plan is not likely to be followed by need for further reorganization, and that at least one class of creditors whose interests are impaired by the plan have voted to accept the plan. A class of creditors is deemed to have accepted a plan if at least two-thirds in dollar amount and more than one-half in number of the class votes to accept the plan. The Bankruptcy Court can confirm a plan over the objections of a dissenting class of creditors (*i.e.*, a class that does not accept the plan by the required amount and percentage of votes) if the plan is fair and equitable and does not discriminate unfairly against that class of creditors as required under the Federal Bankruptcy Code and the other conditions to confirmation have been satisfied. Confirmation of a plan of reorganization could permanently modify the rights of the Owners and the Trustee to enforce their rights under the Indenture and the Loan Agreement.

Payments made by the University during the 90-day (and in certain cases one-year) period immediately preceding the filing of such petition may be avoidable as preferential transfers to the extent such payments allow the recipients thereof to receive more than they would have received in the event of the University's liquidation. Security interests and other liens granted to the Trustee and perfected during such preference period also may be avoided as preferential transfers to the extent such security interest or other lien secures obligations that arose prior to the date of such perfection.

Amendments to Indenture and Loan Documents

The Indenture and Loan Agreement may be amended with or without the consent of Bondowners. See Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS – THE INDENTURE – Supplemental Indentures.”

Exemption of Interest on Bonds from Federal Income Taxes

The University. The possible modification or repeal of certain existing federal income or State tax laws or other loss by the University of the present advantages of certain provisions of the federal income or State tax laws could materially and adversely affect the status of the University. The University has obtained a letter from the Internal Revenue Service (the “IRS”) determining it is an exempt organization under Section 501(c)(3) of the Code. As an exempt organization, the University is subject to a number of requirements affecting its operation. The failure of the University to remain qualified as an exempt organization would affect the funds available to the University for payments under the Indenture and the Loan Agreement. Also, loss of exempt status as a Section 501(c)(3) organization may adversely affect the status of the Bonds for federal income tax purposes. Failure of the University to comply with certain requirements of the Code, or adoption of amendments to the Code to restrict the use of tax-exempt bonds for facilities such as the Project Facilities, could cause interest on the Bonds to be included in the gross income of Bondholders or former Bondholders for federal income tax purposes retroactive to the date of issuance of the Bonds.

The Bonds. The exemption of interest on the Bonds from federal income taxes is dependent upon continuing compliance by the Authority and the University with the requirements of the Code. If there is a failure to continuously comply with the covenants of the Code, interest on the Bonds could become includible for federal income tax purposes in the gross incomes of the Owners thereof, which includability in gross income could be retroactive to the date of issuance of the Bonds. The Bonds are subject to redemption upon a loss of the exclusion of the interest on the Bonds from gross income for federal income tax purposes as described in “THE BONDS – Redemption Provisions – Extraordinary Mandatory Redemption – Determination of Taxability.”

If interest on the Bonds becomes so includible in the Owners’ gross incomes, the effect will be to reduce the yield on an Owner’s Bonds as a result of the federal and, in certain cases, State and local, income tax liability incurred in connection with the receipt of interest on the Bonds. There is no provision for any adjustment to the interest rate borne by the Bonds in the event of any such loss of tax-exempt status, nor is any provision made for the payment of any penalties or premium in such event. As a result, the Owners of the Bonds may be forced to bear the adverse economic consequences of any such loss of tax-exempt status and may not have adequate remedies against the Authority to recover any losses or damages so sustained.

Secondary Market and Prices

It has been the practice of the Underwriter to maintain a secondary market in municipal securities it sells, and the Underwriter currently intends to engage in secondary market trading of the Bonds, subject to applicable securities laws. The Underwriter, however, is not obligated to engage in secondary trading or to repurchase any of the Bonds at the request of the owners thereof. No assurance can be given that a market will exist for the resale of the Bonds. Because of general market conditions or because of adverse history or economic prospects connected with a particular issue or issuer, secondary marketing activity in connection with a particular issue may be suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price. **There can be no guarantee that there will be a**

secondary market for the Bonds, or if a secondary market exists, that the Bonds can be sold for any particular price.

No Seasoned Funds

There is no requirement in the Indenture that seasoned funds be provided by the University in connection with the optional redemption of Bonds. If any such payments are made to Bondowners with funds that are not seasoned funds at a time when the University is insolvent, which determination may occur up to one year after the payment is made, then Bondowners may be required by a bankruptcy court to refund those payments to the bankruptcy court.

Rating

The lowering or withdrawal of the rating initially assigned to the Bonds could adversely affect the market price and the market for the Bonds. In the event of a rating change, the only obligation of the University is to file a notice of such occurrence. See “RATING” and “CONTINUING DISCLOSURE.”

TAX MATTERS

General

In the opinion of Bond Counsel, under existing law and subject to certain qualifications described below, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. The proposed form of opinion of Bond Counsel with respect to the Bonds to be delivered on the date of issuance of the Bonds is set forth in Appendix D.

The Code contains a number of requirements that apply to the Bonds, and the Authority and the University have made certain representations and have covenanted to comply with each such requirement. Bond Counsel’s opinion assumes the accuracy of the representations made by the Authority and the University is subject to the condition that the Authority and the University comply with the above-referenced covenants. If the Authority or the University fail to comply with such covenants or if the Authority’s or the University’s representations are inaccurate or incomplete, interest on the Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

In addition, Bond Counsel has relied on the opinion of Kutak Rock LLP, counsel to the University, regarding the current qualification of the University as an organization described in Section 501(c)(3) of the Code and that the facilities being financed with proceeds of the Bonds are not being used in “unrelated trade or business” activities of the University as defined in Section 513(a) of the Code. Failure of the University to be organized and operated in accordance with the IRS’s requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code or to operate the facilities financed or refinanced by the Bonds in a manner that is substantially related to its charitable purpose under Section 513(a) of the Code may result in interest on the Bonds being included in federal gross income, possibly from the date of original issuance the Bonds.

Except as expressly stated herein, Bond Counsel expresses no opinion regarding any tax consequences related to the ownership, sale, or disposition of the Bonds, or the amount, accrual, or receipt

of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

Original Issue Premium and Discount

If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes.

Under the Code, original issue discount is treated as interest excluded from federal gross income to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bond to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal alternative minimum tax.

Under the Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to federal income tax consequences of owning such Bonds.

Post Issuance Matters

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the University, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS.

Bond Counsel’s engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the University, or the Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and its appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees may

not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds, and may cause the Authority, the University, or the Owners to incur significant expense.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code, or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Not Bank Qualified

The Authority has not designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code.

UNIVERSITY’S FINANCIAL ADVISOR

The University has retained North Slope Capital Advisors, Denver, Colorado, as financial advisor (the “Financial Advisor”) in connection with the issuance of the Bonds. In connection with this Official Statement, the Financial Advisor has relied upon University officials and other sources that have access to relevant data to provide accurate information for this Official Statement, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the University to compile, review, examine, or audit any information in this Official Statement in accordance with accounting standards. The Financial Advisor will act as an independent advisory firm and will not be engaged in underwriting or distributing the Bonds.

UNDERWRITING

The Bonds are being purchased for reoffering by Morgan Stanley & Co. LLC, as underwriter (the “Underwriter”). The purchase contract entered into among the Underwriter, the Authority and the University provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a price of \$ _____ (which represents the principal amount of the Bonds, [plus/less] a [net] original issue [premium/discount] of \$ _____), less an underwriter’s discount of \$ _____). The Underwriter intends to offer the Bonds to the public initially at the prices set forth on the inside cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

The Underwriter has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Authority or the University, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority or the University.

The Underwriter 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, long and/or short positions in such assets, securities and instruments.

The Tendered Bonds are being tendered under the terms of the Tender Offer through Morgan Stanley & Co. LLC, as the Dealer Manager and Globic Advisors Inc., as Tender and Information Agent. The Dealer Manager and the Tender and Information Agent will be compensated separately for their services as Dealer Manager and Tender and Information Agent, respectively. The University has agreed to pay the Dealer Manager and the Tender and Information Agent customary fees for their services in connection with the Tender Offer. The University has also agreed to reimburse the Dealer Manager and the Tender and Information Agent for certain of their out-of-pocket expenses. Such fees and expenses will be paid from proceeds of the Bonds.

INDEPENDENT AUDITORS

The Audited Consolidated Financial Statements of the University as of and for the years ended May 31, 2025 and 2024 included in Appendix B have been audited by Baker Tilly, independent auditors, as stated in their report appearing therein. Baker Tilly has not been engaged to perform and has not performed, since the date of its respective report included therein, any procedures on the consolidated financial statements addressed in that respective report. Baker Tilly also has not performed any procedures relating to this Official Statement. The Audited Consolidated Financial Statements of the University and the respective report thereon have been included herein with the consent of Baker Tilly.

POTENTIAL CONFLICTS OF INTEREST

Some or all of the fees of the Underwriter, the University's Financial Advisor, the Trustee, Underwriter's counsel, Bond Counsel, the Dealer Manager, and the Tender and Information Agent are contingent upon the issuance and sale of the Bonds. From time to time, Bond Counsel and counsel to the University each serve as counsel to the Underwriter in connection with transactions other than the issuance of the Bonds. None of the members or other officers of the Authority have interests in the issuance of the Bonds that are prohibited by applicable law.

In addition to serving as Trustee for the Bonds, U.S. Bank Trust Company, National Association serves as trustee for other series of bonds issued by the Authority secured by Pledged Revenues. In its

capacity as Trustee for the Bonds and in its separate capacities as trustee for each such series of bonds, U.S. Bank Trust Company, National Association also serves as Collateral Agent under the Intercreditor and Collateral Agency Agreement and under the Security Agreement. See “SECURITY FOR THE BONDS.”

Morgan Stanley & Co. LLC is the underwriter with respect to the Bonds and is also serving as a Dealer Manager on the Tender Offer.

RATING

Moody’s Ratings (“Moody’s”) has assigned its rating of “A2” (negative outlook) to the Bonds. Such rating reflects only the views of Moody’s at the time the rating was assigned, and the Authority makes no representation as to the appropriateness of the rating. An explanation of the significance of such rating may be obtained only from Moody’s. There is no assurance that any such rating will continue for any given period of time or that it will not be lowered, suspended, or withdrawn entirely by the rating agency, if, in its judgment, circumstances so warrant. Any such change in, suspension of, or withdrawal of such rating may have an adverse effect on the market price and marketability of the Bonds.

MATERIAL LITIGATION

The Authority

There is no pending litigation currently restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings under which they are to be issued. Neither the creation, organization, or existence, nor the title of the present members or other officers of the Authority to their respective offices, is being contested. There is no litigation pending which in any manner questions the right of the Authority to finance or refinance the Project in accordance with the provisions of the Act, the Indenture, and the Loan Agreement.

The University

There are no actions, suits, or claims pending or, to the knowledge of the officers of the University pending or threatened which would restrain or enjoin the issuance, sale, execution, or delivery of the Bonds or in any way contesting or affecting the validity of the Loan Agreement, the Indenture, the Bonds, any action of the University taken with respect to the issuance or sale of the Bonds, the power of the University to make Loan Payments sufficient to pay the principal of and interest on the Bonds, the existence or powers of the University relating to the Loan Agreement, the Indenture, or the Bonds, or the power of the University to pledge its Unrestricted Gross Revenues.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds by the Authority are subject to the approving legal opinion of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel. The form of the opinion of Bond Counsel is included as Appendix D of this Official Statement. The opinion to be delivered by Pacifica Law Group LLP, as Bond Counsel, concurrently with the issuance of the Bonds, will be subject to limitations regarding bankruptcy, insolvency, and other laws relating to or affecting creditors’ rights. Bond Counsel has reviewed this Official Statement only to confirm that the portions of it describing the Bonds and the authority to issue them conform to the Bonds and the applicable laws under which they are issued.

Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, Seattle, Washington, as counsel to the Underwriter, and by Kutak Rock LLP, Spokane, Washington, as disclosure counsel and special counsel to the University. Any opinion of Underwriter's counsel will be delivered only to the Underwriter, will be limited in scope, and cannot be relied upon by investors.

CONTINUING DISCLOSURE

Undertaking to Provide Continuing Disclosure

The University will enter into an undertaking for the benefit of the holders of the Bonds (the "Continuing Disclosure Agreement"), to provide certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended. The form of the Continuing Disclosure Agreement, including the information to be provided on an annual basis, the events that will be noticed on an occurrence basis and the other terms, including termination, amendment and remedies, is set forth in Appendix E.

Because the Bonds are limited obligations of the Authority, payable solely from amounts received from the University under the Loan Agreement and the Note or from any other amounts available therefor under the Indenture as described in this Official Statement, financial or operating data concerning the Authority is not material to an evaluation of the offering of the Bonds or to any decision to purchase, hold or sell the Bonds. Accordingly, the Authority is not undertaking to provide any such information.

Past Compliance with Continuing Disclosure Undertakings

The University has entered into previous undertakings pursuant to the Rule. In the previous five years, the University timely filed its Audited Consolidated Financial Statements and annual financial information. The University has adopted procedures designed to ensure compliance with its undertakings pursuant to the Rule.

MISCELLANEOUS

All of the summaries or descriptions of provisions of the Indenture, the Loan Agreement, the Intercreditor and Collateral Agency Agreement, the Security Agreement, and other documents are made subject to all of the provisions of law and such documents, and such summaries or descriptions do not purport to be complete statements of such provisions. Reference is hereby made to such documents for further information in connection therewith. Copies of such documents may be obtained from the Trustee in Seattle, Washington.

Appendices A and B contain certain information relating to the University. The information contained in such appendices has been furnished by the University, and the Authority makes no representations or warranties whatsoever with respect to the information contained in such appendices.

The agreements of the Authority with the Bondowners are fully set forth in the Indenture. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Any statements herein involving matters of opinion or estimates, whether or not expressly so stated, are intended merely as such and not as representations of fact. This Official Statement has been approved by the Authority and the University.

WASHINGTON HIGHER EDUCATION FACILITIES
AUTHORITY

By: _____
Executive Director

THE CORPORATION OF GONZAGA UNIVERSITY,
a Washington nonprofit corporation

By: _____
Chief Financial Officer

APPENDIX A

SELECTED INFORMATION CONCERNING THE UNIVERSITY INCLUDING UNAUDITED FINANCIAL INFORMATION

The information within this Appendix A has been provided solely by the University and is believed to be accurate, but has not been verified independently by the Underwriter. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Underwriter.

OVERVIEW OF THE UNIVERSITY

General

The Corporation of Gonzaga University (the “University” or “Gonzaga”) is a Washington nonprofit corporation that owns and operates a coeducational university emphasizing undergraduate liberal arts as well as professional and graduate education in the Catholic, Jesuit tradition. The University is one of 27 Jesuit affiliated colleges and universities across the country. Members of the Society of Jesus, called Jesuits (“S.J.”), founded the University in 1887, two years before Washington became a state. The University was incorporated in 1894 as Gonzaga College and changed its name to Gonzaga University in 1912.

The University has, since its founding, been affiliated with the Catholic Church. The University, however, welcomes persons of all religious persuasions, and large numbers of non-Catholics are at the University as members of the student body, faculty, staff, and administration.

University headcount enrollment for the fall term of academic year 2025-2026 is 7,070 students. Of these, 4,993, or approximately 71%, are enrolled as undergraduates. Of the graduate students, 551, or approximately 8% of total student enrollment, are enrolled in the School of Law. The remaining 1,526 graduate students are enrolled in master’s degree programs in business administration, education, leadership studies, nursing, engineering, or liberal arts, or in the six doctorate programs, one Ph.D. in leadership studies, two doctorate programs in education, a Juris Doctorate, and two nursing practice doctorates.

The University is located on a 152-acre campus in a residential area of the City of Spokane, Washington (“Spokane”). The undergraduate student body represents 49 states and 39 foreign countries. Approximately 49% of the undergraduate student body comes from outside Washington State. The University also owns and operates a campus in Florence, Italy, with academic capacity for approximately 185 students.

For the fall semester 2025, there were 468 full-time Jesuit, religious, and lay faculty, with all classes taught by professors. The University has a faculty-to-student ratio of 12 to 1, and the average class size is approximately 22 students.

Among others, current national rankings include:

- The 2026 *U.S. News & World Report* annual rankings recognized Gonzaga as a “Best National University,” which includes 434 institutions nationwide ranging from Ivy League schools to major research universities. Gonzaga is listed in the top 24% of schools in this category. In the report, the University ranked No. 17 in the nation for “Best Undergraduate Teaching,” and No. 48 for “Most Innovative National Universities,” and is recognized among the top 35% of “Best Value Schools among National Universities.”

- *The Princeton Review, 2026*, named Gonzaga one of “The Best 390 Colleges” and ranked it No. 14 in the country for “Best Health Services” and for “Everyone Plays Intramural Sports,” No. 21 in the country for “Students Who Study Most,” and No. 1 for “Students Who Love Their School Teams.” Gonzaga was also recognized as one of the top 100 green colleges in the *2025 Princeton Review’s Guide to Green College*.
- In other top honors, Gonzaga was approved in 2024 to shelter a chapter of Phi Beta Kappa, the nation’s oldest and most prestigious honor society and was named to the *2025 Forbes’ American Top Colleges List*.
- In the *2025 Money* publication, the University was named to *Money’s* list of “2024 Best Colleges in America” based on graduation rates, cost of attendance, financial aid, alumni salaries and more.
- Over the past five years, 2021 to 2025, Gonzaga’s average first-year to second-year retention rate of 92% is one of the best retention rates in the country, and its average six-year graduation rate of 86% significantly exceeds the nation average of 65%. Additionally, 93% of graduates secure jobs, graduate school admission, military service, or post-graduate service (e.g., Peace Corps, Teach for America, Jesuit Volunteer Corps) within one year of graduation.
- Gonzaga is a signatory of the American College and University Presidents Climate Commitment and has established a Climate Action Plan outlining current initiatives and strategies for achieving future targets, and potential funding sources and progress measures. Gonzaga has pledged to work toward climate neutrality, or net zero emissions, specifically a reduction of at least 20% by 2020 and at least 50% by 2035 with the goal of climate neutrality by 2050 (from a 2009 baseline). The University has hit its benchmarks to-date and remains on track to achieve its net zero emissions goal. Gonzaga has completed or is fully implementing 80% of the strategies in our first Climate Action Plan and is currently working on an updated plan.

Mission Statement

The University’s Mission Statement:

Gonzaga University is an exemplary learning community that educates students for lives of leadership and service for the common good. In keeping with its Catholic, Jesuit, and humanistic heritage and identity, Gonzaga models and expects excellence in academic and professional pursuits and intentionally develops the whole person—intellectually, spiritually, culturally, physically and emotionally.

Through engagement with knowledge, wisdom and questions informed by classical and contemporary perspectives, Gonzaga cultivates in its students the capacities and dispositions for reflective and critical thought, lifelong learning, spiritual growth, ethical discernment, creativity, and innovation.

The Gonzaga experience fosters a mature commitment to dignity of the human person, social justice, diversity, intercultural competence, global engagement, solidarity with the poor and vulnerable, and care for the planet. Grateful to God, the Gonzaga community carries out this mission with responsible stewardship of our physical, financial and human resources.

Strategic Plan

Gonzaga’s Strategic Plan was approved by the Board of Trustees in 2023 and responds to evolving societal, educational, and environmental challenges. It affirms Gonzaga’s mission as a Catholic, Jesuit, and humanistic institution and sets forth a vision of being a premier liberal arts-based university recognized nationally for exemplary Jesuit education.

The Strategic Plan is structured around four commitments:

1. **Foster Responsibility for Shared Mission** – Deepen mission integration, spiritual formation, and environmental stewardship inspired by *Laudato Sí* (an encyclical from Pope Francis) and Universal Apostolic Preferences of the Society of Jesus.
2. **Animate Academic Excellence** – Advance distinctive programs, a robust core curriculum, global engagement, and faculty development.
3. **Provide an Integrative Jesuit Educational Experience** – Promote whole-person education, leadership, wellness, and service learning.
4. **Optimize Institutional Stewardship and Sustainability** – Ensure financial health, inclusive spaces, enrollment strategies, and technological efficiency.

Actions include, among others, creating a School of Health Sciences (launched in 2023), an Institute for Informatics and Applied Technology (launched in 2024, dedicated in 2025), expanding global learning, reimagining learning environments, and launching initiatives in climate research, humanities, and inclusive excellence. Accountability is ensured through annual Board reviews, measurable goals, and metrics across student achievement, academic excellence, faculty development, and institutional sustainability. Actions are routinely revised every two to three years, and the University expects to refresh actions found in the current strategic plan during 2026.

Spokane and the Inland Northwest

Spokane forms the hub of the “Inland Northwest,” a region encompassing parts of four states and southern Canada and relying on the area’s business, service and transportation facilities. The city’s population exceeds 229,000, with more than 604,000 residents in the Spokane-Spokane Valley metropolitan area and nearly 800,000 in the broader Spokane–Coeur d’Alene combined statistical area, reflecting steady growth in recent years. This dynamic urban hub offers abundant opportunities for employment, recreation, and cultural engagement for Gonzaga students.

The campus is adjacent to the Spokane River, where the paved Spokane River Centennial Trail extends 40 miles between northwest Spokane and Coeur d’Alene, Idaho. Students enjoy biking, running and walking along the trail. Gonzaga is a key anchor of the Spokane University District (The “University District”), a 770-acre innovation corridor that includes six universities, two medical schools, and a growing life sciences cluster. The University District has attracted over \$1 billion in investment and continues to expand with new housing, research facilities, and commercial development. Downtown Spokane, located just blocks from campus, features a vibrant mix of retail, dining, and entertainment venues. The city’s 12,000-seat Spokane Veterans Memorial Arena, theaters, art galleries, and the recently renovated Riverfront Park—a 100-acre landmark with upgraded event spaces and recreational amenities—enhance the quality of life for students and residents alike.

Transportation infrastructure has advanced significantly with the 2023 launch of the City Line – Spokane’s first bus rapid transit route. This zero-emission electric line connects Gonzaga’s campus to downtown, providing frequent service and an estimated \$175 million in regional economic impact over 20 years. Spokane International Airport, less than 10 miles from campus, remains Washington State’s second-largest airport with non-stop flights to 21 destinations and over 4.1 million passengers annually, underscoring its role as a regional travel hub.

Outdoor recreation is abundant, with 76 lakes and five major ski resorts within easy reach, including Mt. Spokane Ski & Snowboard Park, Schweitzer Mountain Resort and Silver Mountain Resort. These destinations offer year-round activities such as skiing, hiking, boating, and water sports, making Spokane an exceptional environment for both academic and personal enrichment.

Corporate Structure

The University is a nonprofit corporation established under chapter 24.03A of the Revised Code of Washington. The University is governed by a Board of Trustees (each individually a “Trustee” and collectively the “Board of Trustees” or “Trustees”), which is responsible for the management of the affairs of the University. Under the University’s Articles of Incorporation and Bylaws, a separate Jesuit Board of Members exists with responsibility for the University’s mission and for spiritual guidance (each individually a “Member” and collectively the “Board of Members”). The boards work collegially and collaboratively with one another and the President of the University (the “President”) who is appointed by the Board of Trustees.

The Board of Trustees consists of a minimum of 10 and a maximum of 36 Trustees, excluding Trustees Emeriti, and as of its most recent meeting in December 2025 consists of 28 elected Trustees. In addition, the President is an ex officio voting member of the Board of Trustees. Elected Trustees serve a four-year term and are eligible for two additional four-year terms. Special circumstances can result in an Elected Trustee serving a fourth term. All terms end in December.

The Board of Members consists of five to ten Jesuits and as of its most recent meeting in November 2025 consists of nine Jesuits. Membership is restricted to Jesuits who are active in, and missioned to, the University, as directed by the Board of Members. The Board of Members has the right to elect three Jesuits to the Board of Trustees. The Board of Trustees elects the remainder of the Board of Trustees. At least 22% of the total number of Trustees must be Jesuits and should the number of Jesuits fall below 22% the Board of Trustees will have one year to fill the vacancy. The University’s Board of Trustees, as of its most recent meeting, includes six Jesuits.

Most Jesuits employed by the University are assigned or “missioned” to the University by the Provincial of the US Jesuits West. The remaining Jesuits employed by the University are missioned to the University by one of the Provincials of the other four Jesuit Provinces in the United States.

Consent by a majority vote of the Board of Members and the Board of Trustees is required for transactions involving University assets, including acquisitions, sales, transfers, gifts, loans, pledges, mortgages, encumbrances, or capital expenditures, where the value of the transaction is greater than \$20,400,000. This threshold is subject to an annual inflation calculation. Under its Articles of Incorporation, no part of the net earnings of the University shall inure to the benefit of the University’s Trustees, Members, officers or other private persons, except that the University may pay reasonable compensation for services rendered and make payments and distributions in furtherance of its tax-exempt purposes.

As of December 2025, the members of the Board of Trustees, and their principal occupation, current term and term expirations were as follows:

Name	Principal Occupation	Current Term Expiration / Term number
Mike Reilly, Board Chair	Attorney/Shareholder, Ballard Spahr	2027 / Term 3
Larry Simkins, Board Vice-Chair	Retired President, Washington Corporations	2028 / Term 3
John Bollier	Retired, CEO & Boad Chair, Stacy and Witbeck, Inc.	2027 / Term 1
Greg Bui	Retired, Vice President, Nike, Inc.	2028 / Term 3
Joseph Carvalho	CEO, Henry M. Jackson Foundation for the Advancement of Military Medicine	2027 / Term 2
Rebecca Cates	Retired, VP/Treasurer, Expeditors International	2029 / Term 4
Teresa Dominguez	Owner/Partner, Paradies-Lagardère Shops	2027 / Term 2
Scott Finnie	Professor, Eastern Washington University	2027 / Term 1
Michael Graham, S.J.	Retired, President, Xavier University	2027 / Term 4
John J. Hemmingson	Chairman, Lakeside Capital Group, LLC	2027 / Term 4
D. Scott Hendrickson, S.J.	Interim President, Regis University	2027 / Term 2
Mary Herche	Community volunteer	2028 / Term 3
Jaylene Howard	Managing Director, Parametric Portfolio Associates	2029 / Term 1
Christine Johnson	Retired, Chancellor, Community Colleges of Spokane	2026 / Term 3
Angela Jones	Director, Gates Foundation	2026 / Term 1
Tom Lamanna, S.J.	Pastor, St. Aloysius Parish	2027 / Term 2
Christy Larsen	Owner-Farmer, Vicarious Ranch LLC	2026 / Term 3
Joe Lincoln	Retired, Founding Partner/Principal, e5 Solutions	2027 / Term 1
Scott Maw	Retired, CFO Starbucks Corporation	2026 / Term 2
Tom McCarthy	Community volunteer	2026 / Term 3
Bryan Pham, S.J.	Assistant Professor, Gonzaga University School of Law	2029 / Term 3
Renee Reuther	Founding Partner, Attorney, Rice Reuther Sullivan & Carroll, LLP	2028 / Term 3
Kris Snow	Retired, President, Cisco Capital	2025 / Term 2
William E. Stempsey, S.J.	Professor, College of the Holy Cross	2028 / Term 3
Gilbert Sunghera, S.J.	Superior, Della Strada Jesuit Community	2028 / Term 1
Thatcher Thompson	Partner, Capital Group Companies	2027 / Term 3
Diane Timberlake	Retired, Physician/Clinical Associate Professor, University of Washington	2028 / Term 3
Irv Zakheim	Chairman/CEO, Zak Designs, Inc.	2029 / Term 3

The University also has a Board of Regents (“Regents”) presently consisting of 60 persons, most of whom are otherwise unaffiliated with the University. The function of the Regents is to serve as regional ambassadors for the University, to advise the University and its Board of Trustees on financial and other affairs, and to be active in financial support of the University.

Officers and Senior Administrators of the University

The following table sets forth the names of the President of the University and the President’s Cabinet, a body of senior administrative leaders and principal executive officers of the University, along with their positions and tenure in office. A brief statement of the duties and background of each of the individuals appears in the following the table (alphabetical order following the President).

<u>Name</u>	<u>Position</u>	<u>Position Since</u>
Katia Passerini, Ph.D.*	President	2025
Maria Bertagnolli, Ph.D.*	Interim Provost	2024
Kurt Heimbigner	Interim Associate Vice President, Marketing & Communications	2025
Frank Hruban, J.D.*	General Counsel	2023
Robin Kelley, Ph.D.	Chief Diversity Officer	2020
Ray Kliewer	Vice President for Human Resources	2022
Ellen Maccarone, Ph.D.	Vice President for Mission Integration	2024
Nathan Mannerter	Interim Vice President for Enrollment Management	2025
Charles J. Murphy	Chief Strategy Officer	2018
Joseph Poss	Vice President for University Advancement / Interim Chief of Staff	2011/2025
John D. Sklut, J.D.	Senior Advisor to the President & Liaison for External & Government Affairs	2021
Joseph P. Smith*	Chief Financial Officer	2018
Chris Standiford	Athletic Director	2021
Borre Ulrichsen	Chief Information Officer	2016

* Officer of the University, as defined by the Bylaws.

Katia Passerini, Ph.D., President. Dr. Passerini was appointed President in July 2025 following a nationwide search. Prior to her selection as President, Dr. Passerini was Provost and Senior Executive Vice President, and Interim President of Seton Hall University. Her previous experience includes serving as Dean and Professor at St. John’s University and the New Jersey Institute of Technology. Dr. Passerini holds a Ph.D. in Information Systems and an MBA in International Business from The George Washington University, an M.A. in Economics from the University of Rome II, an M.A. in Political Science and a B.A. in Political Science from LUISS University-Rome.

Maria (Mia) Bertagnolli, Ph.D., Interim Provost. Dr. Bertagnolli was appointed Interim Provost in July 2024. She is a tenured Professor of Biology who began her academic career at the University in 1993. Her leadership roles have included serving as Chair of the Biology Department and the Department of Chemistry & Biochemistry, Director of the Center for Teaching and Advising, Associate Dean of the

College of Arts and Sciences, and the inaugural Vice Provost for Faculty Affairs. Dr. Bertagnolli holds a Ph.D. in Biology from the University of Utah and a B.S. in Biology with a minor in Chemistry from the University.

Kurt Heimbigner, Interim Chief Marketing and Communications Officer. Mr. Heimbigner was appointed his current position in 2025 after serving two years as Interim Associate Vice President for Marketing and Communications. He joined the University in 2010 as Director of Marketing Services and was promoted to Senior Director of Integrated Marketing and Web Communications in 2015. He holds a B.S. in Professional & Technical Communications from Montana Technological University.

Frank Hruban, J.D., General Counsel. Mr. Hruban began serving as General Counsel in 2023. He joined the University in 2016 and has served as both Assistant General Counsel and Associate General Counsel. His legal career spans 34 years, including service in the Washington State Attorney General's Office and a 20-year active-duty career in the U.S. Army, where he served as a military intelligence officer and as a member of the Judge Advocate General's Corps. He earned a B.S. from the University of Idaho, a J.D. from the University of Oregon, and an LL.M. from the U.S. Army Judge Advocate General's School in Charlottesville, Virginia. Mr. Hruban has expressed an interest in retiring during the first quarter of 2026. A national search is currently underway to identify a new General Counsel.

Robin Kelley, Ph.D., Chief Diversity Officer. Dr. Kelley joined the University as Chief Diversity Officer in 2020 and brings over 20 years of experience in education administration. She holds a B.S. from Buffalo State University, an Ed.M. from the University of Buffalo, and a Ph.D. in Educational Leadership from Iowa State University, along with multiple professional certifications.

Ray Kliewer, Vice President for Human Resources and Chief Human Resources Officer. Mr. Kliewer joined the University in his current role in 2022, bringing experience from both industry and higher education. He earned an M.Ed. in Human Resource Development and a B.S. in Business Administration from the University of Louisville. He holds a Senior Certified Professional certification through the Society for Human Resource Management and a Senior Professional in Human Resources certification through the HR Certification Institute.

Ellen M. Maccarone, Ph.D., Vice President for Mission Integration. Dr. Maccarone was appointed Vice President for Mission Integration in October 2024 after serving as Acting Vice President for Mission Integration for two years. She previously served as Associate Professor of Philosophy and Faculty Advisor to the President. Dr. Maccarone joined the University as an Assistant Professor of Philosophy in 2005. She holds a Ph.D. in Philosophy from the University of Florida, an M.A. in Philosophy from Colorado State University, and a B.A. in Political Science from The George Washington University.

Nathan Mannetter, Interim Vice President for Enrollment Management. Mr. Mannetter was appointed to this leadership role in July of 2025. He oversees Graduate Enrollment Management, Undergraduate Admissions, Student Financial Services, the Center for Lifelong Learning, and Enrollment Management Operations. Since joining the University in 2011, he has had multiple roles in Enrollment Management, most recently Director of Enrollment Management Operations. He earned both a B.B.A. and M.B.A. from the University.

Charles J. Murphy, Chief Strategy Officer. Mr. Murphy has served as Chief Strategy Officer since 2018. He joined the University in 1978 as Controller and then served as Vice President for Finance from 1985 to 2018. Over his 45 years of service, he has been a member of the President's Cabinet under five presidential administrations. He earned a B.A. from the University.

Joseph Poss, Vice President for University Advancement and Interim Chief of Staff. Mr. Poss was appointed Vice President for University Advancement 2010 and Interim Chief of Staff in 2025. He joined the University in 1998 and has held multiple roles in University Relations (later renamed University Advancement). He earned a B.A. in Criminal Justice from the University.

John D. Sklut, J.D., Senior Advisor to the President and Liaison for External and Government Affairs. Mr. Sklut serves as the principal liaison for local, state, and federal policy, advocacy, and funding, and as Executive Director of the University of Washington School of Medicine-Gonzaga University Health Partnership. He joined the University in 2008 as Assistant Dean of the School of Law and has held roles including Chief of Staff, Assistant General Counsel, and Interim Vice President of Administration and Planning. He was appointed to his current position in 2021. Mr. Sklut earned a B.A. in Political Science from the University of California, San Diego, and a J.D. from Loyola Law School, Los Angeles.

Joseph P. Smith, Chief Financial Officer. Mr. Smith has served as Chief Financial Officer since 2018, following seven years as Associate Vice President for Finance. He joined the University in 2010 after nine years as a financial statement auditor with two large public accounting firms. Mr. Smith earned a B.B.A. in Accounting from the University and M.B.A. from the University of Washington. He is a Certified Public Accountant (“CPA”) and Chartered Global Management Accountant (“CGMA”).

Chris Standiford, Athletic Director. Mr. Standiford was appointed as Athletic Director in June 2021. He joined Gonzaga Athletics in 1993 and has served as Deputy Director of Athletics/Chief Operating Officer, Senior Associate Athletic Director, Associate Athletic Director, and Assistant Athletic Director. In 2021, he was named a Top Assistant Athletic Director by Silver Waves Media. Mr. Standiford earned both his B.A. in History and an M.A. in Athletic Administration from the University.

Borre Ulrichsen, Chief Information Officer. Mr. Ulrichsen has served in his current position since joining the University in 2016. He earned an M.B.A. in International Finance from the University of California, Berkeley, Haas School of Business and an M.S. from the Norwegian University of Science and Technology. Mr. Ulrichsen also holds multiple professional certificates and credentials.

Faculty and Staff

The following table reflects the number of full-time and part-time faculty (excluding adjunct faculty) for the past five fall semesters, together with the number of tenured full-time faculty members. There are no unions representing members of the faculty.

FACULTY SUMMARY

Fall Semester	Tenured Full-Time	Other Full-Time	Part-Time	Total
2025	258	181	29	468
2024	241	198	29	468
2023	234	199	27	460
2022	234	216	15	465
2021	230	208	22	460

Source: The University.

Members of the Society of Jesus constitute less than 1% of the full-time faculty. They receive compensation from the University comparable to that received by other members of the faculty. The majority of the faculty who are members of the Society of Jesus live in facilities located on the University’s campus.

94% of the full-time faculty have obtained a Ph.D. or other terminal degree appropriate to their disciplines.

In addition to its faculty, the University employs approximately 914 administrative, professional, and staff members. There are no unions representing administrative, professional, or staff members.

Academic Programs

The University reflects the centuries-old tradition of Catholic and Jesuit education, whose goals include a dedicated commitment to academic and professional excellence, Christian and humanistic traditions, and community service. Among the University's numerous achievements with respect to service to others, the University was ranked No. 15 in the country for "Excellence in Service Learning" in the *2026 U.S. News & World Report*, and No. 14 in the nation for "Most Engaged in Community Service" in *The Princeton Review's "Best 390 Colleges: 2026 Edition."*

The University's educational programs are organized into six major academic divisions and the School of Law. Undergraduate and graduate instruction is provided by the College of Arts and Sciences and the Schools of Business Administration, Education, Engineering and Applied Science, and Health Sciences. The School of Leadership Studies houses Master's and Ph.D. programs in leadership studies, with the majority of classes offered online. The School of Law offers a Juris Doctor degree. In addition, the University offers several study abroad programs, including a campus in Florence, Italy. In total, the University offers 16 undergraduate degrees through 53 majors, 68 minors and 73 concentrations, 23 master's degrees and five doctoral-level degrees in addition to primary and secondary education credential programs. Some undergraduate students are enrolled in multiple majors, minors, and/or concentrations.

Gonzaga University is embedding Artificial Intelligence ("AI") into its core curriculum and teaching mission with a strong emphasis on ethics and Jesuit values. Students engage with AI tools in courses across disciplines, learning both how AI works and why its outputs matter through critical evaluation and reflection. The newly established Institute for Informatics and Applied Technology leads this effort by supporting interdisciplinary research, developing programs in AI and data science, and partnering with industry. Gonzaga has launched ZagAI, a custom AI assistant designed to foster Socratic questioning and personalized learning, and created the AI for Instruction Fellowship to help K–12 educators integrate AI responsibly. Faculty receive training and guidelines to ensure privacy-conscious, purposeful use of generative AI. These initiatives position Gonzaga as a leader in human-centered, ethical AI education.

Undergraduate and Graduate Education

College of Arts and Sciences. The College of Arts and Sciences is the central component of the University's undergraduate program. Every student, whatever their major, takes a variety of courses in the College of Arts and Sciences, including courses in literature, mathematics, science, social science, global studies, history, philosophy, and religious studies. The purpose of this core curriculum is to develop a well-rounded and well-educated adult with a firm grounding in the humanistic traditions. Through the University's core curriculum, the College of Arts and Sciences provides all its students with the foundation upon which they build further studies in their chosen academic discipline or field of study. The University's core curriculum was developed to challenge each student to read, write, analyze, reflect, discuss and persuade; to evaluate learning with discernment and compassionate understanding; to explore the past for the light it casts on the present and the future; to create works of the imagination; to practice ethical decision making; and to develop a foundation for a career. Elements of the core curriculum are integrated throughout all four years of undergraduate education, regardless of major, including a core integration seminar during the senior year. The College of Arts and Sciences confers the degrees of Bachelor of Arts (B.A.) (Honors

and General), and Bachelor of Science (B.S.) (Honors and General), Master of Arts Philosophy, and Master of Arts in Theology and Leadership. The College of Arts and Sciences includes 31 departments and has 241 full-time faculty members for academic year 2025-26. According to the 2025-26 official fall enrollment data there are 1,952 undergraduates and 34 graduate students enrolled in the majors and fields of concentration offered by the College of Arts and Sciences.

School of Business Administration. The School of Business Administration was established in 1921 and is accredited by the Association to Advance Collegiate Schools of Business (“AACSB”) and is one of fewer than 190 business schools worldwide to hold joint AACSB accreditation in business and accounting. This accreditation is a seal of excellence and reflects the University’s commitment to intellectual rigor and alumni success. Within the School of Business Administration, several programs are nationally ranked; the undergraduate programs in finance, accounting, entrepreneurship, and business are ranked No. 20, No. 26, No. 29, and No.88, respectively (*U.S. News & World Report, 2026*). The Part-time MBA program consistently ranks among the nation's best as well (*U.S. News & World Report, 2025*). As expressed in its Mission Statement, the School of Business Administration strives to develop professionally competent and intellectually curious graduates who exemplify the humanistic, ethical, and moral values of a Jesuit institution. A personal learning environment, quality students, and a faculty dedicated to teaching, advising, scholarship, and service mark the University’s excellence. As part of a dynamic and global business environment, the University promotes relationships with the regional, national, and international communities. The School of Business Administration confers the degree of Bachelor of Business Administration (“BBA”) (Honors and General), allowing students to major in either business administration or accounting. Additionally, the school offers two STEM-designated degrees in economics: a Bachelor of Arts (B.A.) and a Bachelor of Science (B.S.), Master of Business Administration (“MBA”), Master of Science in Business Analytics (“MSBA”), Master of Accountancy (“M.Acc”), Master of Science in Taxation (“MS.Tax”), MBA in American Indian Entrepreneurship (“MBA-AIE”), and Dual Degrees (“M.Acc/JD”, “MS.Tax /JD”, “MBA/JD”). According to the 2025-26 official fall enrollment data, there are 1,363 undergraduate and 199 graduate students under the instruction and guidance of 45 full-time faculty members affiliated with the School of Business Administration.

School of Education. The mission of the School of Education is to prepare socially responsive and discerning practitioners to serve their communities and profession. This mission is accomplished by directing available human and physical resources toward the establishment of knowledge bases and professional competencies needed to be an effective leader within a variety of organizational settings. The School of Education offers six undergraduate degrees: Bachelor of Education (“B.Ed.”) in Special Education; Teacher Education; Sport Management; Kinesiology and Sport Management; and Community, Culture, and Language. Eleven separate Master’s programs are offered in the areas of: special education, initial teaching, counseling, educational leadership, sport and athletic administration, and teaching English as a second language; and an education specialist degree in school psychology, and a doctorate of educational leadership. Additionally, there is a comprehensive Teacher Certification Program, which enables students to obtain initial, as well as continuing certification, at the elementary or secondary level in a variety of content areas. All teacher preparation programs and elementary and secondary certifications offered are fully approved by the Washington State Professional Educators Standards Board and recognized by the Washington State Office of the Superintendent of Public Instruction. At the graduate level, the School offers initial and advanced certification for teachers, school counselors, and school administrators. According to the 2025-26 official fall enrollment data, there are 331 undergraduate students, 243 on-campus and off-campus graduate students, and 31 doctoral students, receiving instruction from 34 full-time faculty members. Faculty in the School of Education also work closely with accrediting bodies, professional standards entities, and other organizations within the community to meet the educational training needs of current teachers and administrators in K-12 educational settings.

School of Engineering and Applied Science. One of the key goals of the undergraduate programs in the School of Engineering and Applied Science is to prepare students with a baccalaureate degree to be professional engineers and computer scientists ready to contribute innovative solutions for a better world. In addition, the programs provide a base both for graduate study and for lifelong learning in support of evolving career objectives, which include being informed, effective, and responsible participants in the engineering profession and society. The School of Engineering and Applied Science offers four-year Bachelor of Science degrees in Civil Engineering, Electrical Engineering, Computer Engineering, Mechanical Engineering, Biomedical Engineering, and Engineering Management. All Bachelor of Science degree programs are fully accredited by the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology. The School also offers a Bachelor of Science and a Bachelor of Arts degree in Computer Science, a Bachelor of Science in Cybersecurity, and in Data Science, accredited by the Computing Accreditation Commission of the Accreditation Board for Engineering and Technology. The undergraduate Engineering and Civil Engineering programs are ranked No. 21 and No. 14 in the nation, respectively (*U.S. News & World Report, 2026*). The Center for Engineering Design is intended to enhance the design content of the engineering programs at the University by promoting interaction between the industrial and academic communities. The Center's mission is to organize, support, and provide guidance to student teams that undertake design projects defined by industry sponsors. In addition to its undergraduate programs of study, the University offers a Certificate in Transmission and Distribution, a Master of Engineering degree in Transmission and Distribution, a Master of Engineering Management, and a Master of Science in Data Science. According to the 2025-26 official fall enrollment data, there are 768 undergraduate students and 66 graduate students under the instruction and guidance of 39 full-time faculty members in the School of Engineering and Applied Science.

School of Leadership Studies. The School of Leadership Studies strives to create, educate, and support leaders and to be of service in meeting the learning needs of a complex society. Ethics, excellence, spirit, and community are guiding values for all aspects of the school. Faculty scholarship and research contribute positively to the professions, the global community, and the classroom. Through a spirit of inquiry and lifelong learning, students expand their capacity to transform thinking and engage in ethical problem-solving and decision-making. The teaching strategies meet the needs of diverse student groups by utilizing dynamic program delivery formats, including technology and flexible scheduling. Traditional-age undergraduate students, as well as adults returning to complete their degree, enrich the learning environment. The School of Leadership Studies confers Master's degrees in Organizational Leadership as well as Communication and Leadership Studies, and a Ph.D. degree in Leadership Studies. In addition to the degree programs, the School offers Graduate Certificates in Change Leadership, College Teaching of Communication, Servant Leadership, Social Media Management, and Strategic Communication & Public Relations. According to the 2025-26 fall enrollment data there are 259 graduate students and 158 doctoral students taking leadership classes from 15 full-time faculty through a variety of course delivery platforms.

School of Health Sciences. Formerly the School of Nursing and Human Physiology, the School of Health Sciences builds on the University's lasting commitment to exploring the human sciences and health professions within a Jesuit, Catholic tradition. The Nursing program, accredited by the Commission on Collegiate Nursing, offers bachelor's, master's, and doctoral degrees, and focuses on servant leadership, social justice, community and reflective practice. The Human Physiology program examines the complex, interconnected systems that keep bodies alive and running and provides the foundation for a career in health and allied health fields, research, teaching, and private industry. The School of Health Sciences is ranked No. 59 for Undergraduate Nursing, No. 53 for Online Master's in Nursing, and No. 16 for Best Online Nursing Master's Programs for Veterans by the *2025 U.S. News & World Report*. Undergraduate degrees in Nursing, Human Physiology, and Public Health as well as graduate degrees in Public Health and Nursing including a Doctor of Nurse Anesthesia Practice degree, are offered. According to the 2025-26 official fall enrollment data, there are 29 full-time faculty working closely with 579 undergraduate, 434 graduate, and 102 doctoral students.

The Gonzaga School of Law. The School of Law was established in 1912 by the Board of Trustees with the active support of many prominent members of the bench and bar in Washington State. It is one of only three law schools in Washington State. It is fully accredited by the American Bar Association and is also a member of the Association of American Law Schools. It was named one of the “Best Law Schools for 2025” in *The Princeton Review* and is ranked among the top 100 Law schools in the country by *U.S. News & World Report*. The School of Law has a long and distinguished tradition of humanistic Jesuit education. The School of Law seeks to challenge its students to incorporate the knowledge of the past with the innovations of the present in order to better serve society. The Law Library collection totals more than 250,000 volumes of legal and law-related materials of hard copy or microform equivalents. The School of Law confers the degree of Juris Doctor (“J.D.”). In cooperation with the School of Business Administration, a combined program is offered for the MBA/J.D. and MACC/J.D. and the School of Law currently offers a full range of courses dealing with federal, state and international law. In addition to the traditional methods of legal education, the School of Law is committed to the value of clinical experiences as an integral part of modern legal education. The student body at the School of Law publishes the Gonzaga Law Review four times per year and conducts an extensive moot court program. According to the 2025-26 fall enrollment data, there are 551 students enrolled in, and 30 full-time faculty members affiliated with, the School of Law.

Summer Session

To provide students with further opportunities to expand or accelerate their studies, the University offers a summer session, which is an extension of its normal academic programs. During the summer session in 2025, 1,334 undergraduate, 955 graduate students, and 217 doctoral students furthered their academic studies at the University. The enrollment figures contained elsewhere in this Appendix do not include enrollment figures from the University’s summer sessions.

Accreditation

The University is accredited by the Northwest Commission on Colleges and Universities (“NWCCU”), an accrediting body recognized by the Council for Higher Education Accreditation (the “Council”) and the Secretary of the U.S. Department of Education. In its latest mid-cycle review of the University, NWCCU expressed no significant accreditation concerns. In addition, the University’s schools and some academic programs are also accredited by the following professional accrediting bodies:

- The School of Business Administration is accredited by AACSB International – The Association to Advance Collegiate Schools of Business, a specialized accrediting board recognized by the Council and the Secretary of the U.S. Department of Education.
- The School of Law is accredited by Council of the Section of Legal Education and Admissions to the Bar of the American Bar Association (“ABA Council”). The Secretary of the U.S. Department of Education has recognized the ABA Council as the national agency for the accreditation of programs leading to the first professional degree in law.
- All teacher preparation degree programs, and elementary, secondary, and advanced certification programs in the School of Education are fully approved by the Washington State Professional Educators Board.
- Programs in the Department of Nursing are accredited by the Commission on Collegiate Nursing Education (“CCNE”), a specialized accrediting board recognized by the Council and the Secretary of the U.S. Department of Education.

- The Doctor of Nurse Anesthesia Practice program is accredited by the Council of Accreditation of Nurse Anesthesia Education Programs (“COA”). The COA is a specialized accrediting board recognized by the Council and the Secretary of the U.S. Department of Education.
- Programs in Civil, Electrical, Computer, and Mechanical Engineering, and Engineering Management are accredited by the Engineering Accreditation Commission (“EAC”) of the Accreditation Board for Engineering and Technology (“ABET”), and the Computer Science degree program is accredited by the Computing Accreditation Commission (“CAC”) of ABET. ABET is a specialized accrediting board recognized by the Council and the Secretary of the U.S. Department of Education.
- The School Counseling, Clinical Mental Health Counseling, and Marriage and Family Counseling master’s programs are accredited by the Council for Accreditation of Counseling and Related Educational Programs (“CACREP”). CACREP is an accrediting board recognized by the Council Accreditation and the Secretary of the U.S. Department of Education.
- The Music Department in the College of Arts and Sciences is accredited Associate Member by the National Association of Schools of Music (“NASM”), a specialized accrediting board recognized by the Secretary of the U.S. Department of Education as the institutional and specialized accrediting body of the field of music.
- The Department of Chemistry and Biochemistry in the College of Arts and Sciences is approved by the American Chemical Society.
- Master’s programs offered in British Columbia, Canada, have received consent from the British Columbia Ministry of Advanced Education, Skills and Training, under the recommendation by the Degree Quality Assessment Board.
- The Gonzaga school psychology program recently received full accreditation status by the National Association of School Psychologists (NASP).
- The English as a Second Language Program within the English Language Center is accredited by The Commission on English Language Program Accreditation (“CEA”), a specialized accrediting agency that focuses on post-secondary intensive English language programs and institutions. CEA’s purpose is to provide a systematic approach by which programs and institutions can demonstrate their compliance with accepted standards, pursue continuous improvement, and be recognized for doing so. The CEA is a specialized accrediting board recognized by the Council for Higher Education Accreditation and the Secretary of the U.S. Department of Education.

The Campus

The University’s campus has grown from one building, which housed both students and Jesuit faculty in its founding years, to over 100 buildings spread over 150 landscaped acres. The University is located along the north bank of the Spokane River and includes its own small lake, providing an attractive campus setting for students, faculty and staff. Some highlights of the campus include the following:

The Department of Housing and Residence Life provides living options for more than 3,000 undergraduate students, including men's, women's and coeducational residence halls with capacities ranging from 42 to 600. Apartment-style living units are another housing option for students. The University owns several houses and apartment complexes in the campus neighborhood, which are rented to upper-division students. Residence halls are staffed by professional staff and trained students who provide services ranging from personal counseling to activities planning. Full-time first- and second-year students under age 21, unmarried and not living at home, must live in on-campus residence halls.

The John J. Hemmingson University Center, completed in 2015, brings life to the University's rich history and education experiences and serves as a gathering place for students, staff, faculty and the greater Spokane community. The 167,000 square-foot facility houses a modern two-level board dining area with six restaurant style dining platforms, four retail eateries, a mini food market, a campus branch bank, a "next generation" technology bar, a rooftop garden, conference, meeting, lounge and banquet facilities, and an array of student, staff and faculty functions including student government, mission and ministry, student clubs, the Center for Global Engagement, and the Center for Community Engagement.

Martin Centre and the Kermit M. Rudolf Fitness Center, the University's 38,000 square-foot state-of-the-art sports and recreational facility, located in the heart of campus, includes an intercollegiate volleyball competition arena, dance studio, weight and exercise rooms, a smoothie bar, and a fieldhouse offering three full sized courts for intramural basketball and volleyball, four racquetball and handball courts, an elevated running track and a 25-yard indoor swimming pool. Robust intramural programming extends to other campus facilities, including a 125,000 square foot lighted turf field, six indoor tennis courts, and indoor golf chipping and putting along with four golf simulators.

Foley Center, opened in the fall of 1992, provides sophisticated online computer access to libraries across the United States. In addition, students enjoy abundant individual study spaces, a computer lab, an audio/visual resource room, and one of the finest rare book collections in the country. In recent years, the Foley Center has undergone a significant remodel to incorporate central information technology services and expanded student support functions, including a writing lab and group or individual study spaces.

St. Aloysius Church and the student chapel offer students a place for solitude and reflection as well as daily masses for St. Aloysius Parish. The twin spires of St. Aloysius Church are a landmark of the Spokane area. The primary student chapel is located in College Hall, the University's primary administration building. There are other smaller student chapels and reflections spaces located throughout campus, including an outdoor candlelight grotto located adjacent to St. Aloysius Church.

The McCarthy Athletic Center, a 6,000-seat arena, opened in the fall of 2004, and is home to the University's men's and women's basketball teams and other University-sponsored events. The McCarthy Athletic Center, also known as "The Kennel," has been sold out for every men's basketball game since its opening, and the attendance per capacity for regular season games ranks in the top five in the nation for women's basketball. In January 2016, NCAA.com named "The Kennel" on its college basketball list of "5 venues every hoops fan must attend."

Over the last 10 years University has expended over \$237 million on facilities, largely driven by the generous benefaction received through the multi-year fundraising campaign called "Gonzaga Will." Notable facility additions or improvements over the last 10 years include the following:

- *The Institute for Informatics and Applied Technology* (the "IIAT") launched in 2024, with a 3,000 square-foot of newly renovated innovation space within the Herak Center completed in September 2025. In the years ahead, the IIAT will support interdisciplinary,

humanity-centered learning and innovation in informatics, with a focus on ethical use of AI.

- *Mantua Hall* opened in January 2025, a 92-bed suite-style residence for second year students, with a mix of one-, two-, and four-bedroom configurations within the suites.
- The *Scott and Liz Morris Family Baseball Indoor Training Facility*, a 15,000 square-foot annex to the Patterson Baseball Complex, opened in July 2024. The facility includes 11,500 square feet of training space (batting cages, indoor pitching mounds, turf training) and a 4,000 square-foot clubhouse locker room.
- The *UW-GU Health Partnership Building*, also referred to as the *Regional Health Partnership Building*, a four-floor, 90,000 square foot facility in the University District, adjacent to Gonzaga’s campus, opened in September 2022. Gonzaga, along with the University of Washington (“UW”) School of Medicine, are joint tenants in this public-private partnership facility. Approximately one-third of the space supports Gonzaga’s School of Health Sciences programs in Nursing and Human Physiology. In September 2025, the University agreed to occupy an additional 8,000 square feet to support the relocation of Doctor of Nurse Anesthesia Practice students from space currently used in partnership with a nearby medical center beginning in 2027. UW hosts approximately 120 first- and second-year medical students for the foundations phase of its Medical Doctor program that functions as a consortium of regional medical education sites in Washington, Wyoming, Alaska, Montana and Idaho known as “WWAMI”, along with 30-35 physician assistant students, and newly finished space for dental education. In 2016, Gonzaga entered into an agreement with UW to provide faculty, student support services and facilities as the only private institution education partner in the WWAMI program. While facilities support of WWAMI has shifted away from Gonzaga-owned and operated facilities to the adjacent Regional Health Partnership Building, Gonzaga remains a key operating partner for WWAMI students.
- The *John & Joan Bollier Family Center for Integrated Science and Engineering* opened in fall 2021, adding 82,000 square feet of science and engineering space, including 18 specialized labs to support molecular biochemistry, advanced computing, clean combustion research, and structural engineering. Other features include a “maker” space, study rooms, classrooms, and faculty office, and taken together the space increase Gonzaga’s STEM footprint by 44% with physical connections to pre-existing academic spaces such as the PACCAR Center for Applied Science and Hughes Hall.
- The *Myrtle Woldson Performing Arts Center* opened its doors in the spring of 2019. The 52,000 square-foot facility serves as the cornerstone of a new arts district on the west end of campus. The facility features a 759-seat mainstage performance theatre, a 168-seat recital/rehearsal hall for music and dance, a two-story lobby and box office, make-up rooms, an orchestra pit designed to rise and create a “thrust” stage area, and other supporting studios and instructional space. The mainstage theater proscenium opening adjusts from 44-to-52-feet wide with and 84-foot fly tower and fully rigged counterweight system of lighting, scenery, draperies, and scrims. Adjacent to the center’s second-floor lobby is a museum-like series of spaces featuring The Myrtle Woldson Collection.
- The *Volkar Center for Athletic Achievement*, a 51,240 square-foot addition to the athletics complex, features state-of-the-art student athlete academic support services, a weight room, nutrition center, basketball practice court, offices, Gonzaga Athletics Hall of Fame, and

multiple meeting areas. Dedicated in the spring of 2018, the Volkar Center for Athletic Achievement physically connects the Martin Centre and the McCarthy Athletic Center. The combined facility provides Gonzaga student-athletes with among the finest facilities and support services in the nation.

- The *Della Strada Jesuit Community*, a 36,074 square-foot home for Jesuits in residence, including reflective space to serve Jesuits seeking retreat, features suite-style living quarters, offices and work space, and a new chapel. The Della Strada Jesuit Community, completed in the fall of 2017, functionally replaced the existing Jesuit House, a dorm-style facility that no longer met the contemporary needs of the Jesuit community.
- The former residence of the Jesuit community was converted into the 52,000 square-foot Humanities Building, with renovated spaces completed in 2019 for classrooms, faculty offices, digital media studios, meeting and study spaces, and the College of Arts and Sciences Dean's Office.

Cultural Activities

The University offers a wide variety of cultural events on campus, including films, speakers, concerts, dramatic presentations, and art displays. Students can further study and explore the arts at Gonzaga through theatre, music, visual arts, and dance. The Center for Global Engagement offers cultural events, while the Center for Student Involvement offers multiple student cultural clubs. University students write, edit, and publish a student newspaper and a literary magazine that includes works of poetry and fiction.

Athletics

The University sponsors nine intercollegiate sports for men: baseball, basketball, rowing, cross country, golf, soccer, tennis and indoor and outdoor track. Women's teams compete in nine intercollegiate sports: basketball, rowing, cross country, golf, soccer, tennis, volleyball and indoor and outdoor track. Through June 30, 2026, University teams compete in the West Coast Conference ("WCC") at the NCAA Division 1 level. Starting July 1, 2026, the majority of Gonzaga's teams will begin play in the Pacific 12 conference ("Pac-12"), with competition beginning in the 2026–27 academic year. The Pac-12 will feature nine full members; Gonzaga, Boise State, Colorado State, Fresno State, Oregon State, San Diego State, Texas State, Utah State, and Washington State. The invitation reflects Gonzaga's national prominence in basketball, as its men's and women's programs have posted an 82.7% combined winning percentage over the past five seasons, highlighted by sustained postseason success. Although Gonzaga does not sponsor football, Pac-12 leaders emphasized the university's athletic excellence, academic strength, and institutional fit. Joining the Pac-12 is expected to enhance opportunities for student-athletes, strengthen academic and research collaboration, boost national visibility, and support long-term growth of the University.

This past year, Gonzaga Athletics ranked among the nation's top two scores in both Graduation Success Rate at 97% and Academic Progress Rate at 992. Overall, Gonzaga student-athletes have been named Academic All-American 34 times. The men's basketball team made its 26th straight appearance in the NCAA Tournament in 2025, reaching at least the "Sweet Sixteen" nine of the past 10 years the tournament has been played, including three "Elite Eight" appearances, two "Final Four" appearances, and two National Championship game appearances. Gonzaga has been ranked No. 1 in the nation in men's NCAA basketball during the regular season six times in program history.

The University offers a vibrant recreational sports program that includes a wide range of structured and informal activities. The intramural sports program provides students with opportunities to compete in organized leagues and tournaments in sports such as flag football, softball, soccer, pickleball, volleyball, and basketball. For those who prefer more casual participation, informal recreation options include weightlifting, basketball, and table tennis, allowing students to engage at their own pace. Additionally, the sports club program offers a more competitive experience, with student-led clubs in ice hockey, men's and women's rugby, alpine skiing, and lacrosse.

FINANCIAL CONDITION OF THE UNIVERSITY

Presentation of Financial Statements

The most recent audited consolidated financial statements of the University are presented in Appendix B entitled "Audited Consolidated Financial Statements of the University." The statements provide information as of and for the fiscal years ended May 31, 2025 and 2024. The University maintains its accounts in accordance with accounting principles generally accepted in the United States of America applicable to colleges and universities.

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The University provides certain summary financial information below, including a Summary Statement of Unrestricted Activities as of May 31, 2025, 2024, 2023, 2022, and 2021.

**The Corporation of Gonzaga University
Summary Statement of Unrestricted Activities
for the Years Ended May 31 (In Thousands)**

	2025	2024	2023	2022	2021
Revenues and other additions:					
Student tuition and fees, net of institutional financial aid	\$198,801	\$193,884	\$181,486	\$173,561	\$159,401
Contributions	866	1,129	4,528	6,558	2,625
Grants and contracts	114	95	75	225	3
Return on investments designated for operations	12,244	13,375	5,907	2,084	4,658
Return on investments, net of amounts designated for operations	4,233	5,254	(3,343)	(522)	17,749
Auxiliary enterprises	35,650	34,598	33,783	31,218	21,300
Other sources	20,569	20,837	20,729	18,957	10,966
Net assets released from restrictions	36,317	37,358	36,849	40,904	28,428
Total revenues and additions	\$308,794	\$306,530	\$280,014	\$272,985	\$245,130
Expenses and transfers:					
Salaries, wages, and benefits	\$188,412	\$179,348	\$169,967	\$159,303	\$146,651
Professional fees and contracted services	31,683	31,266	29,745	24,954	16,971
Occupancy, utilities, and maintenance	23,652	20,647	18,950	16,743	14,229
Depreciation and amortization	19,430	19,232	20,105	18,685	18,150
Meetings, travel, and memberships	15,958	15,672	14,303	10,746	5,165
Materials, supplies, printing and postage	11,794	11,719	11,818	11,366	8,380
Interest	8,848	9,086	9,697	8,843	8,834
Scholarship and student aid	-	-	-	4,420	1,410
Other expenses	6,383	5,627	5,400	4,197	3,091
Loss (Gain) on disposal of equipment	10	114	49	(58)	(308)
Loss on defeasance and refunding of bonds	-	-	588	-	-
Transfers (in) out	(927)	(968)	876	580	396
Total expenses and transfers	\$305,243	\$291,743	\$281,498	\$259,779	\$222,969
Increase (decrease) in net assets	3,551	14,787	(1,484)	13,206	22,161
Unrestricted net assets, beginning of year	351,969	337,182	338,666	325,460	303,299
Unrestricted net assets, end of year	\$355,520	\$351,969	\$337,182	\$338,666	\$325,460

The Notes to this table are on the following page.

Note: The amounts reported in the table above represent a summary of the University's Unrestricted Activities. References to "unrestricted activities" or "unrestricted net assets" have the same meaning as activities or net assets without donor restrictions, as used in the University's audited Financial Statements set forth in Appendix B.

Source: Audited consolidated financial statements of the University.

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ANNUAL DEBT SERVICE REQUIREMENTS*

The following table sets forth, for each fiscal year ending May 31, the amount required for the payment of the University’s outstanding debt as of December 1, 2025, including the Refunding Candidates and excluding the Bonds. For information regarding outstanding debt of the University, see “Security for the Bonds – Outstanding Obligations and Expected Issuance of Additional Indebtedness” in the Official Statement.

FYE May 31	Outstanding Debt ⁽¹⁾	The Bonds		Total ⁽²⁾ Debt Service
		Principal	Interest	
2026	\$10,585,436	\$	\$	
2027	10,550,567			
2028	10,512,734			
2029	10,474,141			
2030	10,434,789			
2031	10,393,916			
2032	10,352,283			
2033	10,309,890			
2034	10,266,737			
2035	8,702,825			
2036	8,702,825			
2037	8,702,825			
2038	8,702,825			
2039	18,412,825			
2040	18,410,225			
2041	17,762,825			
2042	17,762,425			
2043	17,765,625			
2044	40,851,625			
2045	40,851,709			
2046	40,856,919			
2047	11,194,550			
2048	1,340,550			
2049	46,025,550			
Total ⁽²⁾	\$ 399,926,615	\$	\$	

(1) Includes the 2013B Bonds, the 2016A Bonds, the 2019 Bonds, the 2022 Bonds, and the 2023 Bonds as of December 1, 2025. A portion of the proceeds of the Bonds may be used to refund certain maturities of the outstanding 2013B Bonds and the 2016A Bonds. See “THE PROJECT — Refunding” in the Official Statement.

(2) Totals may not foot due to rounding.

Source: *The University*.

* Preliminary, subject to change

COMMENTS ON THE UNIVERSITY'S FINANCIAL CONDITION

Student Tuition and Fee Revenues

The main component of the University's revenues is student tuition and fees. Tuition revenues are a function of tuition rates and enrollments, net of institutional financial aid. The University has raised its tuition rates in each of the past five years and believes that its tuition rates remain attractive compared to those of other private institutions with which it competes for students. The following table sets forth the tuition charged to full-time students, as well as the room charges for the majority of University accommodations combined with the full board charges for each of the last five academic years, inclusive of the current academic year.

TUITION RATES, ROOM AND BOARD*			
Academic Year	Undergraduate Full-time Tuition	School of Law Full-time Tuition	Room and Board
2025-2026	\$56,140	\$57,962	\$15,960
2024-2025	54,380	55,202	14,970
2023-2024	52,540	52,574	14,390
2022-2023	49,800	50,070	13,440
2021-2022	47,560	47,670	12,790

* Excludes non-law graduate student tuition rates. Students in such graduate programs pay tuition on a per-credit-hour basis, which for the FY2025-26 academic year ranges from \$750-\$1,255 per credit-hour. Undergraduate full-time tuition above excludes mandatory fees of \$1,110 per year. Room and board amounts are based on the typical lower division student housing configuration and meal plan selection.

Source: *The University.*

Financial Aid Programs

Approximately 97 – 99% of the undergraduate student body receives some form of merit or need-based financial assistance from the University. The following table shows the University's total student assistance programs for all students, graduate and undergraduate, for the last five academic years.

FINANCIAL AID PROGRAMS					
Academic Year	Grants			Loans	
	Washington State Programs	Federal and Private Assistance	University Expenditures	Federal and Private	Total Grants and Loans
2024-2025	\$ 6,828,738	\$ 9,124,023	\$176,242,080	\$ 66,725,240	\$ 258,920,081
2023-2024	5,593,391	6,911,314	162,275,638	64,765,053	239,545,396
2022-2023	5,293,404	5,940,808	147,351,293	63,249,692	221,835,197
2021-2022	4,854,753	5,745,397	134,509,533	59,452,596	204,562,279
2020-2021	4,258,888	5,765,501	125,216,410	62,583,488	197,824,287

Source: *The University.*

A significant number of the University's students depend on student financial aid from sources other than the University to pay tuition fees and expenses. The majority of such aid comes from Washington state and federal governmental sources. The continued availability of those funds is contingent upon continued legislative support.

The State of Washington biennial budget, adopted in April 2025 for the two fiscal years beginning July 1, 2025, reduces the Washington College Grant programs for students attending private and for-profit colleges in the state, beginning fall 2026. The actual funding available to each student via the state need grant programs varies based on median family income and the size of the family, currently ranging from a modest annual award of \$974 to a more substantial award of \$13,034. Beginning in Fall 2026, the range changes to \$660 to \$6,898 per year. The University anticipates this change will impact approximately 650 returning undergraduate students beginning next fall, with a total aggregate financial impact of approximately \$4,500,000 for returning undergraduate students over the next three fiscal years. The University has launched a fundraising campaign and will commit a total of \$1,500,000 of incremental endowment spending, which taken together is intended to replace the partial loss of state funding for returning undergraduate students. The University intends to adjust its enrollment and financial aid awarding strategies for the new entry class beginning fall 2026 to accommodate for this loss of state funding, with no material impact on overall enrollment levels anticipated.

The One Big Beautiful Bill Act (“OBBA”), signed into federal law on July 4, 2025, introduces changes to federal loan programs that take effect July 1, 2026, with certain changes subject to “grandfathering” provisions for student who began education programs prior to July 1, 2026. Notable changes include the elimination of the Graduate PLUS loan program for new borrowers; changes annual and lifetime caps on graduate loans to \$20,500 per year (\$100,000 lifetime) for Masters’s/PhD programs and \$50,000 per year (\$200,000 lifetime) for professional graduate programs; introduces caps on Parent PLUS programs of \$20,000 per year (\$65,000 in total) per student; and introduces an overall federal loan aggregate cap of \$257,500 across undergraduate and graduate programs. The University anticipates private loan markets will respond to meet most of the demand for undergraduate and graduate loans not otherwise available through federal sources, however, private loans may not be as attractive in terms of rates, repayment features, or underwriting standards. The University continues to monitor this evolving space and may consider partnerships with preferred lenders. OBBA introduces other changes impacting the sector, such as expanded endowment taxation, accountability frameworks for earnings post-graduation, and creation of workforce Pell Grants that are not expected to have a material impact on the University.

Student Enrollment

The undergraduate enrollment for 2025-26, the current academic year, was 4,993 students, down 300 students or 5.7% from the prior academic year, which marked the second highest enrollment year in Gonzaga’s history. This year over year decline was primarily due to a smaller than typical new entry class of 1,130 students (the trailing five-year average was 1,215 students), slight reduction in the first-year to second-year retention rate from 93% to 90%, and the graduation of the fall 2021 entry class of 1,310 students at the end of the prior year. The State of Washington is the primary feeder state, accounting for 55% total first year students in the current academic year. The University maintains ongoing efforts to strengthen its position in out-of-state markets through focused marketing efforts and financial aid strategies to maintain or increase its undergraduate revenue. International students represent 4% of the overall undergraduate student population in academic year 2025-26, as compared to 5% in the prior academic year. Incoming undergraduate students reflect a consistently strong or improving academic profile of graduating high school students, which is also reflected in the University’s historically strong retention rate. Gonzaga’s first-year student population reflected a median GPA of 3.77 for academic year 2025-26, improved from 3.75 for the academic year 2021-22. The median SAT score for first-year enrollment during the academic year 2025-26 was 1320, up from 1300 for the academic year 2021-22.

Graduate and doctoral enrollment has experienced some decline over the past several years with fall 2025 enrollments approximately 5.7% below the trailing three-year average. Enrollment has softened in areas such as leadership studies, business administration, and education, while enrollments are at capacity for programs in nursing. Nevertheless, due to the quality, mix and reputation of the University’s graduate

programs, demand continues to be good overall for programs offered both on campus and off campus including online distance education programs. The University anticipates the launch of new graduate programs in Health Sciences and physical expansion of space and simulation equipment will assist in increasing capacity for high demand fields like nursing. International students represent 7% of the overall graduate and doctoral student population in academic year 2025-26, as compared to 8% in the prior academic year.

The School of Law has seen enrollment trend progressively higher since 2016, reaching 564 students in fall 2024 and dipping by 2.3% to 551 in fall 2025. International students represent 1% of the overall law student population in academic year 2025-26, as compared to 1% in the prior academic year.

Year to year changes in enrollment levels are impacted by many factors, notably overall student populations informed by demographics, student and family affordability, price and value considerations relative to peers and other competitors, admissions criteria, program demand and availability, federal and state financial aid programs, and executive and federal action on immigration, among others factors. In 2025, four international student F1 visas were revoked as a result of recent federal immigration actions, which were all restored since. The University continues to monitor evolving enrollment levels and will continue to take remedial action where necessary to maintain or increase University enrollment.

The following table sets forth the University’s enrollment headcount for the fall semester for each of the past five academic years, including unofficial figures for the current academic year, and the number of degrees conferred in each such year completed.

ENROLLMENT AND DEGREES

Academic Year	Fall Enrollments				Degrees Awarded			
	Under-graduate	Graduate and Doctoral	Law	Total	Bachelor	Graduate and Doctoral	Law	Total
2025-26	4,993	1,526	551	7,070	*	*	*	*
2024-25	5,293	1,613	564	7,470	1,266	658	201	2,125
2023-24	5,172	1,580	554	7,306	1,142	634	165	1,941
2022-23	5,093	1,662	498	7,253	1,179	736	134	2,049
2021-22	4,995	1,938	448	7,381	1,144	757	128	2,029

* Data not yet available.

Source: The University.

The following table sets forth applications, admissions, and new enrollments for the undergraduate, law, and other graduate programs for the last five academic years, including figures for the current academic year.

APPLICATION POOL

Fall Semester	Undergraduate (Freshmen only)			School of Law			Other Graduate*		
	Applications	Offered Admission	New Enrollments	Applications	Offered Admission	New Enrollments	Applications	Offered Admission	New Enrollments
2025	8,906	7,091	1,130	1,411	629	197	1,097	673	400
2024	8,759	7,152	1,251	1,198	639	182	1,099	702	399
2023	9,530	7,239	1,254	991	611	186	1,350	689	364
2022	9,887	6,895	1,217	1,099	683	197	895	560	324
2021	8,853	6,742	1,311	1,299	725	171	818	519	327

* Head count. Does not include transfers.

Source: *The University*.

RETENTION RATES AND GRADUATION RATES OF INCOMING FRESHMEN

Year of Entry	2018	2019	2020	2021	2022	2023	2024
Entering Freshmen	1,196	1,245	1,050	1,311	1,215	1,253	1251
Returned 2nd Year	94%	92%	92%	93%	94%	93%	90%
4-Year Graduation	74%	75%	74%	74%			
5-Year Graduation	85%	85%	82%				
6-Year Graduation	86%	85%					

Source: *The University*.

Income on Endowment Funds

The University has adopted an investment and spending policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce an acceptable level of return while assuming a moderate level of investment risk on a total portfolio basis. The University's goal for its endowment funds, over time, is to provide an average annualized return of the annual endowment spending amount plus inflation, as measured by the Higher Education Price Index ("HEPI") over a market cycle of three to five years. To satisfy its long-term rate of return, the University 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), and maintains a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term return objectives within prudent risk constraints.

Contributions and Other Support

The University's last public fundraising campaign, *Gonzaga Will*, began in October 2015 and ended in September 2018, and raised a total of \$355.4 million, exceeding a goal of \$250 million. The campaign before *Gonzaga Will*, which began in April 2002 and ended in October 2005, raised \$149 million, exceeding a goal of \$119 million.

The University continues to be successful in its fundraising efforts for a variety of purposes and projects, with a trailing three-year average of donor contributions of \$37.1 million, \$36.4 million, and \$36.9 million for each of the years ending May 31, 2025, 2024, and 2023, respectively. The University anticipates launching the “silent phase” of its next comprehensive fundraising campaign in calendar year 2026.

Auxiliary Enterprise Revenues

Auxiliary enterprise revenues are principally from room and board fees and net commissions from an outsourced campus book and apparel store. The University attempts to operate its auxiliary enterprises on a “break-even” basis, after including charges for principal and interest on debt and setting aside reserves for renewal and replacement of these facilities.

Other Income

Sources of other income to the University include interest income, rental income and miscellaneous sales and services income. One such source of rental income is that generated from three real property assets in downtown Seattle, Washington (“the Seattle Properties”), gifted to the University by businesswoman and philanthropist Miss Myrtle E. Woldson. The Seattle Properties are held in separate single member LLCs, consisting of two parking garages and one surface parking lot, a portion of which is subject to a ground lease. The University entered into a ground lease agreement in 2019 with an unrelated third-party entity to develop a portion of the surface parking lot into a proposed 340,000-square-foot multifamily residential housing facility (the “Housing Project”). The City of Seattle issued a Master Use Permit for the Housing Project in September 2021. The issuance of the permit was unsuccessfully challenged, initially to the City of Seattle’s Hearing Examiner and on appeal to the King County, Washington Superior Court, and finally, to the Division I Washington Court of Appeals. All legal appeals were unsuccessful, and the City of Seattle has issued the Master Use Permit for the Housing Project. As such, the lessee is now able to move forward with design and construction of the Housing Project. The lessee may elect to terminate the ground lease, in its sole discretion, no later than December 31, 2026. The University has the right to terminate the lease if construction has not commenced by June 30, 2027. The lessee has forty-eight months from the start of construction to achieve substantial completion of the project. The University may terminate the ground lease if substantial completion is not achieved within this time period. Should initial construction work on the Housing Project be further delayed, the University retains opportunities to operate the parcels as a surface parking lot, consistent with their current use.

Expenditures

Information on University expenses by functional category can be found in the notes to the audited financial statements as set forth in Appendix B. The most significant categories of expenditures are academic instruction and support, student services and auxiliaries, administrative support, fundraising, and facilities operation and maintenance. Academic instruction and support include principally faculty and academic staff salaries, and other expenses related to the operations of the major academic divisions. Student services and auxiliary expenses include registration, admissions, counseling, career advising and health center operations, and the costs of providing room and board to students. The administrative support category includes expenses related to such operations as data processing, legal, accounting and audit functions, employee benefits and other similar expenses that benefit the University as a whole. Fundraising

expenses includes University advancement activities and alumni activities. The facilities operation and maintenance category include costs for utilities, staff, repairs and maintenance, grounds, and housekeeping.

Liabilities

The University's liabilities as of May 31, 2025, are shown on the Audited Consolidated Statement of Financial Position included in the University's financial statements as set forth in Appendix B. Such liabilities amounted to \$337,414,000 including bonds payable of \$227,109,000 and net operating and financing lease obligations of \$19,103,000. The remainder of the liabilities other than bonds payable consisted of accounts payable, accruals, deferred revenue, student advances and deposits and assets held for others.

The University provides retirement benefits to all employees (excluding students) working a minimum of 1,000 hours per year under a 403(b) defined contribution plan ("Plan"). Beginning the first day of the month following one year of service, eligible employees are required to contribute 5% of their salary and the University contributes 8.5%. All contributions vest immediately and are subject to annual IRS limitations. The Plan is administered by TIAA and offers a variety of investment options from TIAA and other funds. The University's expense for the Plan was \$9,486,000 and \$8,934,000 for the years ended May 31, 2025 and 2024, respectively.

The University maintains two 457(b) supplemental deferred compensation plans funded by highly compensated employee pre-tax dollar contributions. The original plan was frozen to new participants on December 31, 2016. The second plan commenced on January 1, 2017. Voluntary employee contributions and accumulated earnings to the 457(b) plans of \$5,437,000 and \$4,982,000 as of May 31, 2025 and 2024, respectively, are included in long-term investments and accrued benefits payable. By IRS regulations, these funds are considered to be assets of the University until distributed to participants.

The University maintains a 457(f) non-qualified deferred compensation plan funded by the University. The purpose of the plan is to permit certain employees selected by the Board of Trustees to accumulate deferred compensation. The plan covers employees who are among a select group of management or highly compensated employees. All amounts previously deferred and vested were distributed to participants in January 2024. The University's expense for the plan was \$0 and \$208,000 for the years ended May 31, 2025 and 2024, respectively. As of May 31, 2025 and 2024, there were no accrued liabilities or plan-related investments recorded in the University's financial statements.

There are no defined benefit retirement plans or other defined benefit post-employment benefit plans, and as such there are no unfunded benefit plan liabilities.

The University is subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the results of these matters will not have a significant impact on the consolidated financial statements. See "MATERIAL LITIGATION – The University" in the Official Statement.

Cash and Investments

The following table sets forth the University's cash and investment balances for each of the past five fiscal years.

CASH AND INVESTMENTS
As of May 31 (In Thousands)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 70,971	\$ 59,261	\$ 63,248	\$ 62,886	\$ 64,547
Short-Term Investments	42,169	35,650	36,369	38,587	33,225
Long-Term Investments	568,784	526,493	471,975	483,590	452,934
Deposits with Bond Trustees	<u>3</u>	<u>1,056</u>	<u>9,324</u>	<u>10,087</u>	<u>13,612</u>
Total	<u>\$ 681,927</u>	<u>\$ 622,460</u>	<u>\$ 580,916</u>	<u>\$ 595,150</u>	<u>\$ 564,318</u>

Source: Audited consolidated financial statements of the University.

Cash and cash equivalents consist of cash balances and short-term, highly liquid investments with remaining maturities of 90 days or less as of the University’s fiscal year end. Amounts also include money market mutual funds, all of which comply with Rule 2a-7 of the Investment Company Act of 1940 that seeks to limit the risk of money market funds. The University holds cash and cash equivalents at several major financial institutions, which during the course of the year, exceeded the amounts insured by the Federal Depository Insurance Corporation (“FDIC”) or National Credit Union Administration (“NCUA”).

Short-term investments consist of operating funds and funds held for fixed asset acquisition with the objective of preserving principal, maintaining an appropriate degree of liquidity, and generating appropriate risk-adjusted returns. Amounts are invested principally in a diversified corporate bond portfolio.

The Investment Committee of the Board of Trustees oversees the University’s investments. The primary component within long-term investments is the pooled endowment fund. The pooled endowment fund is largely invested in actively managed assets, and generates earnings used primarily for scholarship, endowed faculty positions and other restricted purposes. The target asset allocation for the pooled endowment fund, as set forth in the Investment Policy approved by the Board of Trustees, is as follows:

- 40%** Equities (including domestic small, mid and large cap, international small, mid, and large cap, and emerging markets)
- 20%** Fixed income (including domestic, international, and high yield)
- 30%** Alternative investments (including venture capital, private equity, private debt, absolute return, and others funds)
- 10%** Real Assets (including real estate funds)

The one-year total net return on the University’s pooled endowment fund for the periods indicated are as follows:

POOLED ENDOWMENT FUND TOTAL RETURN
ONE YEAR RETURN AS OF JUNE 30

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Pooled Endowment Funds	13.5%	10.0%	5.2%	(10.2%)	45.0%

Source: The University.

This data is based upon data supplied by investment managers and does not include current valuations from some alternative asset categories that are not priced on a monthly basis. The University’s pooled endowment funds achieved annualized net returns ranking among the top 10 percent of higher education institutions nationwide for the ten-year period ending June 30, 2024, among participants in the

NACUBO-Commonfund Study of Endowments® (“NCSE”). The University also achieved annualized net investment returns ranking among the top 15% of participating schools for the five-year period. The ten-year annualized return was 8.4% as of June 30, 2024, or 160 basis points higher than the NCSE average for all participants.

In addition to liquidity provided by cash and cash equivalents and short-term investments, the University maintains a large liquidity position within long-term investments. Of the University’s long-term investments, which includes the University’s endowment pool, 39%, 39%, 35%, 37%, and 44% were comprised of underlying assets that were liquid within one-month as of May 31, 2025, 2024, 2023, 2022, and 2021, respectively.

Property, Plant, and Equipment

The following table sets forth the Property, Plant, and Equipment of the University at the end of each of the last five fiscal years.

PROPERTY, PLANT, AND EQUIPMENT					
As of May 31 (In Thousands)					
	2025	2024	2023	2022	2021
Land	\$ 13,283	\$ 12,807	\$ 12,807	\$ 12,807	\$ 12,807
Buildings and Improvements	563,201	542,687	527,718	525,299	476,632
Construction in Progress	6,325	16,801	6,583	2,458	38,104
Equipment and Furniture	52,743	49,945	49,400	51,007	46,420
Library Books and Artwork	11,943	11,647	11,361	11,021	10,781
Subtotal	<u>647,495</u>	<u>633,887</u>	<u>607,869</u>	<u>602,592</u>	<u>584,744</u>
Accumulated Depreciation	<u>(245,008)</u>	<u>(228,256)</u>	<u>(211,532)</u>	<u>(198,614)</u>	<u>(181,557)</u>
Property Plant and Equipment, Net	<u>\$ 402,487</u>	<u>\$ 405,631</u>	<u>\$ 396,337</u>	<u>\$ 403,978</u>	<u>\$ 403,187</u>

Source: Audited consolidated financial statements of the University.

Insurance

The University currently maintains a full complement of insurance coverages as described herein, although these coverages may change from time to time. These coverages currently include blanket property and extra expense coverages in the amount of \$500 million, general and excess liability coverages totaling \$26 million, educator’s legal liability in the amount of \$25 million and certain professional liability coverage in the amount of \$26 million. In addition, the University secures automobile coverage, cybersecurity coverage, fiduciary coverage, crime coverage, workers compensation coverage and assorted accident coverages. The University believes its current insurance coverage is adequate as to amount and type and conforms to that which is standard for similarly situated higher education institutions.

Cybersecurity

The University relies on a complex technology environment to conduct its operations. The University has programs and policies that define an information security framework for appropriately protecting information systems and to protect institutional data that the University creates, collects, stores, processes, shares, and transmits. The University has taken steps to protect information systems and data to ensure the confidentiality, integrity, availability, and privacy of institutional data throughout its entire life cycle, in a manner that is reasonable and commensurate with the criticality to the University mission and

business operations; the level of classification of the information; and applicable legal, regulatory, and contractual requirements. The University has policies and programs to protect and preserve the physical network infrastructure over which these activities are conducted, including the recent implementation of two-factor authentication on all University enterprise applications. The University carries cyber liability coverage for cyber security and data incidents. The University has not had any major cyber security incidents within the last three years.

Bondholders' Risks

For a discussion of Bondholders' Risks, see "CERTAIN BONDHOLDERS' RISKS" and "MATERIAL LITIGATION – The University" in the Official Statement.

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APPENDIX B

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE UNIVERSITY
FOR THE YEARS ENDED MAY 31, 2025 AND 2024**

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Financial Report

2024-2025



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Gonzaga University

Letter from the Chief Financial Officer

A Legacy of Vision and Stewardship: Honoring Dr. Thayne McCulloh and Welcoming Dr. Katia Passerini

As I reflect on the past fiscal year, it is with deep gratitude and admiration that we recognize the extraordinary leadership of Dr. Thayne McCulloh, who retired this year after serving as Gonzaga University's 26th President since 2009. Over the course of his 16-year presidency, Dr. McCulloh guided Gonzaga through a period of transformational growth, unwavering in his commitment to the University's Jesuit mission and the holistic development of our students.

Under his leadership, Gonzaga launched and completed the historic *Gonzaga Will* comprehensive campaign, raising an unprecedented \$355 million to support scholarships, faculty excellence, and capital projects. His vision brought to life iconic facilities that now define the campus landscape, including the John J. Hemmingson Center, Della Strada Jesuit Community, Volkar Center for Athletic Achievement, Myrtle Woldson Performing Arts Center, and the John and Joan Bollier Family Center for Integrated Science and Engineering, among others.

Dr. McCulloh's tenure also marked significant academic and institutional milestones. Gonzaga earned recognition with the establishment of a Phi Beta Kappa chapter, achieved national prominence in athletics with two NCAA Men's Basketball Championship appearances, and is poised to join a newly reimagined Pac-12 Conference. These accomplishments reflect a broader transformation—from a respected regional institution to a nationally recognized university.

Financially, Gonzaga experienced remarkable growth during Dr. McCulloh's presidency. Since 2009, total assets increased by 195%, net assets grew by 282%, annual net operating revenues nearly doubled, and the University's endowment expanded by an impressive 367%. These achievements underscore a legacy of strategic stewardship and enduring impact.

Dr. McCulloh also led the University through two watershed global challenges: the Great Recession and the COVID-19 pandemic. His steady leadership during these uncertain times ensured Gonzaga's continued stability, resilience, and commitment to our mission.

As we honor Dr. McCulloh's legacy, we also welcome Dr. Katia Passerini, who assumed the role of Gonzaga's 27th President on July 15, 2025. A distinguished academic and seasoned administrator, Dr. Passerini brings a wealth of experience from her prior roles as Provost and Interim President at Seton Hall University, and as Dean at St. John's University and the New Jersey Institute of Technology. Her appointment marks a new chapter in Gonzaga's history—one rooted in innovation, inclusion, and a continued commitment to academic excellence and Jesuit values.

I am personally grateful to have served under tremendous leadership—exemplified by both Dr. McCulloh and Dr. Passerini—at a time when higher education faces profound transformation and uncertainty. Their guidance, informed by Gonzaga's Catholic, Jesuit, and humanistic traditions, remains essential to navigating the complex challenges impacting our sector. I also extend my heartfelt appreciation to our faculty, staff, and the entire Gonzaga community, whose dedication and resilience continue to uphold the University's fundamental mission: to educate students for lives of leadership and service for the common good.

Gonzaga University

Letter from the Chief Financial Officer

Following is a summary of the financial performance for the fiscal year ended May 31, 2025.

Consolidated Statements of Financial Position

Assets

Assets totaling \$1.188 billion as of May 31, 2025, an increase of \$60.3 million or 5.4% from the prior fiscal year. Total assets are comprised largely of cash and short-term investments, contributions receivable, long-term investments, and campus facilities.

Cash and cash equivalents and short-term investments totaled \$113.1 million as of May 31, 2025, an increase of \$18.2 million or 19.2% from the prior fiscal year. These resources provide essential liquidity to cover operating costs, funds to construct and maintain campus facilities, and capacity to satisfy debt service payments. Additionally, the funds support strategic plan initiatives supplemented by contingencies and reserves. Changes in cash and cash equivalents are the result of cash generated from operations, cash receipts from gifts, changes in investments, capital spending, debt payments, and other activity.

Contributions receivable, net totaled \$47.5 million as of May 31, 2025, an increase of \$11.0 million or 30.1% from the prior fiscal year. Of this amount, \$45.1 million (undiscounted) is expected to be collected within the next five years.

Long-term investments and beneficial interest in split-interest agreements held by others totaled \$579.5 million as of May 31, 2025, an increase of \$39.6 million or 7.3% from the prior fiscal year. Such amounts represent 48.8% of total assets as of May 31, 2025, and are substantially comprised of endowment assets. The net return on the diversified endowment investment pool was 10.7% for the fiscal year, ahead of the University's policy index by 220 basis points. Additional drivers of the year-over-year change included new endowment gifts of \$8.1 million, \$1.2 million net inflows for investments held in custody for others, offset by an annual spending distribution of \$20.9 million, of which two-thirds was used to help offset the University's total expenditure of \$165.9 million for institutional financial aid to students. The pooled endowment is invested on a total return basis to provide a long-term annual return equal to, or in excess of, the annual spending distribution plus inflation. The strategic target asset allocation of the endowment is domestic equities (21%), international equities (19%), fixed income (20%), alternative investments (30%) and real assets (10%). The pooled endowment achieved annualized net returns ranking among the top 15% of higher education institutions nationwide for the five-year period ending June 30, 2024, and top 10% for the ten-year period ending June 30, 2024 (the most currently available data)¹. The ten-year annualized net return was 8.4% as of June 30, 2024, or 160 basis points higher than the NCSE average for all participants.

1 Source: NACUBO Commonfund Study of Endowments® (NCSE), 2024

Property, plant, and equipment, net totaled \$402.5 million as of May 31, 2025, a decrease of \$3.1 million or 0.8% from the prior fiscal year. The University continues to invest in its physical facilities to support key academic initiatives, student services, housing, and overall infrastructure. Total additions to construction in progress were \$10.2 million for the year ended May 31, 2025, including completion of Mantua Hall, a 90-bed second-year residence hall. Depreciation expense was \$18.5 million for the year ending May 31, 2025, an increase of \$0.3 million or 1.6% over the prior fiscal year. The University incorporates renewal and replacement spending within its annual operating budget to maintain a 152-acre main campus of more than 100 buildings.

Gonzaga University

Letter from the Chief Financial Officer

Liabilities

Liabilities totaled \$337.4 million as of May 31, 2025, largely unchanged from the prior fiscal year. Liabilities primarily include short-term obligations for accounts and other payables, accrued salaries, taxes, and benefits, and deferred revenue and refundable advances, as well as long-term obligations for leases, and bonds payable.

Accounts and other payables totaled \$12.9 million as of May 31, 2025, an increase of \$0.4 million or 2.8% from the prior fiscal year. Accrued salaries, taxes, and benefits totaled \$28.9 million as of May 31, 2025, an increase of \$2.4 million or 9.1% from the prior fiscal year.

In addition to shorter-term obligations to vendors, creditors, and employees, along with deferred revenues and refundable advances, the most significant liabilities are bonds payable. Bonds payable are largely used to finance the construction and acquisition of property, plant, and equipment. As of May 31, 2025, bonds payable decreased \$1.5 million or 0.6%, resulting from scheduled principal payments. All bonds payable are 100% fixed rate instruments, which provides a high degree of certainty as to the annual debt service payments given payments are not subject to interest rate variability. Together, the overall debt portfolio represents a 3.98% weighted average cost of borrowed funds and an 18.9 year remaining weighted average duration. Gonzaga's currently scheduled annual total debt service through fiscal year 2033-34 remains largely flat, ranging between \$10.3 million and \$11.5 million per fiscal year. Bonds are rated by Moody's Investor Service and Fitch Ratings and carry an "A2" rating (outlook stable) and "A+" rating (outlook stable), respectively.

Net Assets

Net assets were \$850.7 million as of May 31, 2025, an increase of \$60.1 million or 7.6% from the prior fiscal year. The three primary drivers of annual changes in net assets are 1) the net change from operating activities; 2) net investment return of the endowment and other long-term investments, after the annual spending distribution; and 3) contributions towards non-operating activities, such as acquisition of capital assets and endowment.

Net assets without donor restrictions totaled \$355.5 million as of May 31, 2025, an increase of \$3.6 million or 1.0% from the prior year. The increase results from net gains from non-operating activities of \$6.8 million resulting largely from return on investments and net assets released from restrictions for the acquisition of capital assets, offset by endowment income distributed for operating activities and other changes, along with a \$3.2 million decrease in net assets from operations.

Net assets with donor restrictions for time or purpose totaled \$273.2 million as of May 31, 2025, an increase of \$49.2 million or 21.9% from the prior year. The increase was due primarily to investment gains of \$39.8 million and contributions of \$42.4 million, grants and contracts of \$4.4 million, offset by net assets released from restriction of \$36.3 million, among other changes.

Net assets with donor restrictions in perpetuity totaled \$222.1 million as of May 31, 2025, an increase of \$7.4 million or 3.4% from the prior fiscal year. The increase was due largely to new contributions to the endowment fund of \$8.1 million.

Gonzaga University

Letter from the Chief Financial Officer

Consolidated Statements of Activities

The University categorizes changes in its net assets as either operating activities or non-operating activities, each of which is summarized below:

Operating Activities

For the year ended May 31, 2025, total operating activities resulted in a \$21.3 million increase in net assets, compared with a \$3.1 million increase in the prior fiscal year. For the years ended May 31, 2025 and 2024, the operating margin (calculated as change in net assets from operations divided by total operating revenues) was 6.5% and 1.0%, respectively, and the operating cash flow margin (calculated as the sum of change in net assets from operations, depreciation, amortization, and interest paid divided by total operating revenues) was 15.2% and 10.6%, respectively.

For the year ended May 31, 2025, total operating revenues of \$327.4 million increased \$31.7 million or 10.7% from the prior fiscal year. The most significant component of operating revenues is student tuition and fees, net of institutional financial aid, which increased \$4.9 million or 2.5% from the prior fiscal year. The change is driven by an increase in undergraduate net tuition revenue of \$4.7 million, the net result of a 3.5% tuition rate increase, an increase in undergraduate headcount enrollment (fall) of 121 students, stable retention rates, and variations in institutional financial aid from year to year. The fall 2024 freshmen class was 1,251 students, down 2 students from the prior year freshmen cohort. Graduate net revenues, including law, increased by \$2.2 million due to changes in tuition per graduate credit that vary by program with credit generation largely unchanged from year to year. Institutional financial aid as a percentage of student tuition and fees increased 150 basis points to 45.5% in fiscal year 2025 compared to fiscal year 2024, largely driven by variations in institutional financial aid award between undergraduate and law cohorts each year and the University's response to a challenging rollout of federal changes to the Free Application for Federal Student Aid (FAFSA).

While operating revenues come largely from student tuition and fees and associated auxiliary revenues, grants and contracts, contributions and endowment distributions are important revenue diversifiers that help offset the cost of a Gonzaga education for all students, particularly to support institutional financial aid. Total contributions to support operations were \$39.5 million, an increase of \$21.0 million or 113.0%. Endowment distributions increased year over year by \$5.3 million or 33.6%, driven by a 50-basis point increase in the effective spending rate, investment growth, new gifts, and inflation, all of which serve as inputs to the annual endowment spending calculation.

For the year ended May 31, 2025, total operating expenses of \$306.2 million increased \$13.6 million or 4.6% from the prior fiscal year. Salaries, wages, and benefits—the largest category of expense—increased \$9.1 million or 5.1%, due to regular annual compensation increases for faculty and staff, increased expenditures for employee medical benefits and retirement plan contributions, and other compensation increases resulting from changes in Washington State minimum wage and exempt staff salary thresholds. Occupancy, utilities, and maintenance increased \$3.0 million, of which \$2.3 million was attributable to increases in maintenance expenses which can vary from year to year as a function of projects.

Gonzaga University

Letter from the Chief Financial Officer

Non-Operating Activities

In addition to operations, Gonzaga reports other changes in net assets from those activities that are not directly attributable to its annual operations. Return on investments combined with endowment income distributed for operating activities was a net gain of \$28.1 million for the year ended May 31, 2025, and such amounts generally experience high levels of fluctuations from year to year resulting from the broader investment markets. Contributions for the acquisition of capital assets, net and contributions for endowment funds, net were \$11.8 million for the year ended May 31, 2025, an increase of \$1.8 million or 17.4% compared to the prior fiscal year.

Closing

I am grateful for the ongoing work of our faculty and staff and amazed at the accomplishments of our students. I also wish to extend a special thanks to our accounting and finance teams who together make the preparation of this annual financial report possible.

Faithfully,



Joe Smith, CPA, CGMA, MBA
Chief Financial Officer
September 2025

Gonzaga University

Selected Data (in Thousands) (Unaudited)

The following data reflects selected financial and nonfinancial data for the past five fiscal years. Amounts are derived from the audited consolidated financial statements and other official University sources.

As of May 31	2025	2024	2023	2022	2021
Consolidated Statement of Financial Position Data					
Cash, cash equivalents, and short-term investments	\$ 113,140	\$ 94,911	\$ 99,617	\$ 101,473	\$ 97,772
Contributions receivable, net	47,487	36,506	38,621	40,597	37,856
Long-term investments ⁽¹⁾	579,517	539,874	485,828	497,222	467,059
Property, plant, and equipment, net	402,487	405,631	396,337	403,978	403,187
Total assets	<u>1,188,154</u>	<u>1,127,857</u>	<u>1,082,570</u>	<u>1,081,759</u>	<u>1,049,183</u>
Bonds payable	\$ 227,109	\$ 228,580	\$ 230,531	\$ 231,501	\$ 223,349
Total liabilities	<u>337,414</u>	<u>337,213</u>	<u>338,394</u>	<u>327,851</u>	<u>320,236</u>
Net assets without donor restrictions	\$ 355,520	\$ 351,969	\$ 337,182	\$ 338,666	\$ 325,460
Net assets with donor restrictions for time or purpose	273,166	224,008	202,775	222,268	226,910
Net assets with donor restrictions in perpetuity	222,054	214,667	204,219	192,974	176,577
Total net assets	<u>\$ 850,740</u>	<u>\$ 790,644</u>	<u>\$ 744,176</u>	<u>\$ 753,908</u>	<u>\$ 728,947</u>
For the year ended May 31					
Consolidated Statement of Activities and Other Data					
Student tuition and fees, net of institutional financial aid	\$ 198,801	\$ 193,884	\$ 181,486	\$ 173,561	\$ 159,401
Total operating revenues ⁽²⁾	327,437	295,691	275,252	274,803	228,588
Total operating expenses ⁽²⁾	306,160	292,597	279,985	259,257	222,881
Increase (decrease) in net assets from operations ⁽²⁾	21,277	3,094	(4,733)	15,546	5,707
Increase (decrease) in net assets from nonoperating activities ⁽³⁾	38,819	43,374	(4,999)	9,415	121,889
Increase (decrease) in total net assets	60,096	46,468	(9,732)	24,961	127,596
Pooled investment fund return	10.7%	13.3%	(3.7%)	(0.1%)	48.2%
Measured in the fall of the applicable fiscal year					
Other Data					
Enrollment by headcount					
Undergraduate	5,293	5,172	5,093	4,994	4,870
Graduate	1,613	1,580	1,662	1,938	2,011
Law	564	554	498	448	414
Total enrollment	<u>7,470</u>	<u>7,306</u>	<u>7,253</u>	<u>7,380</u>	<u>7,295</u>
Employees ⁽⁴⁾					
Faculty	467	457	464	459	455
Staff and administration	903	901	857	824	853
Total employees	<u>1,370</u>	<u>1,358</u>	<u>1,321</u>	<u>1,283</u>	<u>1,308</u>

⁽¹⁾ Includes beneficial interest in split-interest agreements held by others and long-term investments held in custody for others.

⁽²⁾ Refer to Note 2 in the notes accompanying the consolidated financial statements for the definition of operating activities. Amounts reported are for all net asset classifications.

⁽³⁾ Refer to Note 2 in the notes accompanying the consolidated financial statements for the definition of nonoperating activities. Amounts reported are for all net asset classifications.

⁽⁴⁾ Employee figures include part-time faculty and staff and exclude student employees and adjunct faculty.

Report of Independent Auditors

President and Board of Trustees
Gonzaga University

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Gonzaga University (a Washington nonprofit corporation), which comprise the consolidated statements of financial position as of May 31, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Gonzaga University as of May 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Gonzaga University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 consolidated 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 Gonzaga University'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gonzaga University'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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Letter from the Chief Financial Officer and the Selected Data are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Baker Tilly US, LLP

Spokane, Washington
September 9, 2025

Consolidated Financial Statements

Gonzaga University
Consolidated Statements of Financial Position
May 31, 2025 and 2024

ASSETS

	(in thousands)	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 70,971	\$ 59,261
Short-term investments	42,169	35,650
Accounts and interest receivable, net	13,072	14,975
Prepaid expenses	7,794	8,277
Contributions receivable, net	47,487	36,506
Student loans receivable, net	6,280	6,284
Deposits with bond trustees	3	1,056
Long-term investments	568,784	526,493
Beneficial interest in split-interest agreements held by others	10,733	13,381
Right-of-use assets, operating leases, net	15,591	17,135
Right-of-use assets, finance leases, net	2,783	3,208
Property, plant, and equipment, net	402,487	405,631
Total assets	\$ 1,188,154	\$ 1,127,857

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts and other payables	\$ 12,920	\$ 12,563
Accrued salaries, taxes, and benefits	28,890	26,482
Interest payable	1,511	1,517
Deferred revenues and refundable advances	17,202	19,207
Split-interest agreement obligations	5,745	5,408
Federal student loan program	1,375	2,368
Long-term investments held in custody for others	23,559	20,216
Operating lease liabilities, net	16,201	17,574
Finance lease liabilities, net	2,902	3,298
Bonds payable	227,109	228,580
Total liabilities	337,414	337,213
NET ASSETS		
Without donor restrictions	355,520	351,969
With donor restrictions		
Time or purpose	273,166	224,008
Perpetuity	222,054	214,667
Total with donor restrictions	495,220	438,675
Total net assets	850,740	790,644
Total liabilities and net assets	\$ 1,188,154	\$ 1,127,857

See accompanying notes.

Gonzaga University
Consolidated Statement of Activities
Year Ended May 31, 2025

	(in thousands)			Year Ended May 31, 2024 Total
	Year Ended May 31, 2025			
	Without Donor Restrictions	With Donor Restrictions	Total	
Operating revenues				
Student tuition and fees	\$ 364,679	\$ -	\$ 364,679	\$ 345,614
Less institutional financial aid	(165,878)	-	(165,878)	(151,730)
Student tuition and fees, net	198,801	-	198,801	193,884
Contributions	866	38,674	39,540	18,565
Grants and contracts	114	4,409	4,523	2,226
Return on investments designated for operating activities	7,423	5	7,428	9,913
Endowment income distributed for operating activities	4,821	16,105	20,926	15,668
Auxiliary enterprises	35,650	-	35,650	34,598
Other sources	20,569	-	20,569	20,837
Net assets released from restrictions	34,682	(34,682)	-	-
Total operating revenues	302,926	24,511	327,437	295,691
Operating expenses				
Salaries, wages, and benefits	188,412	-	188,412	179,348
Professional fees and contracted services	31,683	-	31,683	31,266
Occupancy, utilities, and maintenance	23,652	-	23,652	20,647
Depreciation and amortization	19,430	-	19,430	19,232
Meetings, travel, and memberships	15,958	-	15,958	15,672
Materials, supplies, printing, and postage	11,794	-	11,794	11,719
Interest	8,848	-	8,848	9,086
Other expenses	6,383	-	6,383	5,627
Total operating expenses	306,160	-	306,160	292,597
Increase (decrease) in net assets from operations	(3,234)	24,511	21,277	3,094
Nonoperating activities				
Contributions for acquisition of capital assets, net	-	3,729	3,729	883
Contributions and other additions to endowment funds, net	-	8,095	8,095	9,189
Loss on disposal of property and equipment	(10)	-	(10)	(114)
Return on investments	9,054	39,973	49,027	47,714
Endowment income distributed for operating activities	(4,821)	(16,105)	(20,926)	(15,668)
Change in value of split-interest agreements	-	(1,096)	(1,096)	1,370
Net assets released from restrictions for acquisition of capital assets	1,635	(1,635)	-	-
Transfers	927	(927)	-	-
Total nonoperating activities	6,785	32,034	38,819	43,374
Increase in net assets	3,551	56,545	60,096	46,468
Net assets at beginning of year	351,969	438,675	790,644	744,176
Net assets at end of year	\$ 355,520	\$ 495,220	\$ 850,740	\$ 790,644

See accompanying notes.

Gonzaga University
Consolidated Statement of Activities
Year Ended May 31, 2024

	(in thousands)		
	Year Ended May 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Student tuition and fees	\$ 345,614	\$ -	\$ 345,614
Less institutional financial aid	(151,730)	-	(151,730)
Student tuition and fees, net	193,884	-	193,884
Contributions	1,129	17,436	18,565
Grants and contracts	95	2,131	2,226
Return on investments designated for operating activities	9,909	4	9,913
Endowment income distributed for operating activities	3,466	12,202	15,668
Auxiliary enterprises	34,598	-	34,598
Other sources	20,837	-	20,837
Net assets released from restrictions	29,876	(29,876)	-
Total operating revenues	293,794	1,897	295,691
Operating expenses			
Salaries, wages, and benefits	179,348	-	179,348
Professional fees and contracted services	31,266	-	31,266
Depreciation and amortization	20,647	-	20,647
Occupancy, utilities, and maintenance	19,232	-	19,232
Materials, supplies, printing, and postage	15,672	-	15,672
Meetings, travel, and memberships	11,719	-	11,719
Interest	9,086	-	9,086
Other expenses	5,627	-	5,627
Total operating expenses	292,597	-	292,597
Increase in net assets from operations	1,197	1,897	3,094
Nonoperating activities			
Contributions for acquisition of capital assets, net	-	883	883
Contributions to endowment funds, net	-	9,189	9,189
Loss on disposal of property and equipment	(114)	-	(114)
Return on investments	8,720	38,994	47,714
Endowment income distributed for operating activities	(3,466)	(12,202)	(15,668)
Change in value of split-interest agreements	-	1,370	1,370
Net assets released from restrictions for acquisition of capital assets	7,482	(7,482)	-
Transfers	968	(968)	-
Total nonoperating activities	13,590	29,784	43,374
Increase in net assets	14,787	31,681	46,468
Net assets at beginning of year	337,182	406,994	744,176
Net assets at end of year	\$ 351,969	\$ 438,675	\$ 790,644

See accompanying notes.

Gonzaga University
Consolidated Statements of Cash Flows
Years Ended May 31, 2025 and 2024

	(in thousands)	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 60,096	\$ 46,468
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	19,430	19,232
Bond premium and debt issuance cost amortization	49	49
Provision for uncollectible receivables	304	632
Loss on disposal of property and equipment	10	114
Contributions restricted for long-term purposes	(11,824)	(10,072)
Interest and dividends restricted for long-term investment	(9,117)	(7,253)
Net realized and unrealized gain on investments	(42,320)	(44,230)
Change in value of split-interest agreements	1,096	(1,370)
Other change in assets and liabilities, net	(8,772)	(3,091)
Net cash provided by operating activities	<u>8,952</u>	<u>479</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant, equipment, and finance right-of-use assets	(13,665)	(25,764)
Proceeds from sale of property and equipment	5	-
Proceeds from sale of investments	121,399	101,401
Purchase of investments	(122,497)	(105,013)
Issuance of student loans receivable	(1,112)	(151)
Repayment of student loans receivable	984	407
Net cash used in investing activities	<u>(14,886)</u>	<u>(29,120)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for long-term purposes	9,647	13,123
Proceeds from contributions for split-interest agreements	1,627	149
Principal payments on bonds and finance leases	(2,453)	(2,948)
Payments on split-interest agreements	(354)	(320)
Interest and dividends restricted for long-term investment	9,117	7,253
Net change in student loan liability	(993)	(871)
Net cash provided by financing activities	<u>16,591</u>	<u>16,386</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS	10,657	(12,255)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS, beginning of year	<u>60,317</u>	<u>72,572</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS, end of year	<u>\$ 70,974</u>	<u>\$ 60,317</u>
SUPPLEMENTAL DISCLOSURES		
Interest paid (includes capitalized interest of \$406 and \$229 for 2025 and 2024, respectively)	<u>\$ 9,211</u>	<u>\$ 9,273</u>
NONCASH ACTIVITIES		
Right-of-use assets acquired under finance leases	\$ 537	\$ -
Acquisition of investments and property, plant, and equipment	3,071	4,677
Gifts of investments and property, plant, and equipment	210	200
Cash and cash equivalents	\$ 70,971	\$ 59,261
Deposits with bond trustees	<u>3</u>	<u>1,056</u>
Total cash, cash equivalents, and restricted cash equivalents	<u>\$ 70,974</u>	<u>\$ 60,317</u>

See accompanying notes.

Gonzaga University
Notes to Consolidated Financial Statements
(In thousands)

Note 1 – Organization

Gonzaga University is an independent, accredited coeducational higher education institution founded in 1887 by the Society of Jesus. The Corporation of Gonzaga University (the Corporation) was incorporated in the state of Washington in 1894 as a tax-exempt charitable organization located in Spokane, Washington. The consolidated financial statements include the accounts of the Corporation, the Gonzaga Law School Foundation (Foundation), Immobiliare Gonzaga Srl., Gonzaga University Telecommunications Association (GUTA), Woldson Western 00 LLC, Woldson Alaskan Way 01 LLC, Woldson Western 01 LLC, and Woldson Western 25 LLC (LLCs) (collectively, University). The purpose of the Foundation is to provide financial support to the University's Law School. Immobiliare Gonzaga Srl. is an Italian corporation that owns land and a classroom/administration building used in the University's Florence, Italy program. GUTA broadcasts educational television and FM radio. The Corporation is the single member in the LLCs, which are organized for the exclusive purpose of holding title to property as part of the University's endowment, collecting income therefrom, and turning over the entire amount thereof less expenses to the Corporation.

All significant inter-entity transactions and balances have been eliminated. The summarized consolidating statement of financial position for the University is as follows:

	For the Year Ended May 31, 2025			Consolidated Total	Year Ended May 31, 2024 Total
	Corporation	All Other Entities	Inter-Entity Elimination		
Assets	\$ 1,185,919	\$ 123,730	\$ (121,495)	\$ 1,188,154	\$ 1,127,857
Liabilities	\$ 373,833	\$ 5,576	\$ (41,995)	\$ 337,414	\$ 337,213
NET ASSETS					
Without donor restrictions	354,557	82,850	(81,887)	355,520	351,969
With donor restrictions					
Time or purpose	249,374	21,405	2,387	273,166	224,008
Perpetuity	208,155	13,899	-	222,054	214,667
Total net assets	812,086	118,154	(79,500)	850,740	790,644
Total liabilities and net assets	\$ 1,185,919	\$ 123,730	\$ (121,495)	\$ 1,188,154	\$ 1,127,857

The primary source of revenue is tuition and fees from undergraduate, graduate, and law programs through the College of Arts & Sciences, and Schools of Business Administration, Engineering & Applied Science, Education, Health Sciences, Leadership Studies, and Law. Other sources of revenue include room and board, contributions, grants and contracts, return on investments, athletic ticket sales, sponsorships, and other sales and services.

Gonzaga University
Notes to Consolidated Financial Statements
(In thousands)

Note 2 – Summary of Significant Accounting Policies

The accounting policies of the University reflect practices common to universities and colleges and are in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Significant policies are summarized below.

Basis of presentation – The accompanying consolidated financial statements have been prepared with net assets, revenues, expenses, gains, and losses classified into two categories based on the existence or absence of donor-imposed restrictions. The net assets of the University are classified and defined as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board.

Net assets with donor restrictions for time or purpose – Net assets that are subject to donor-imposed restrictions that will be met by actions of the University or the passage of time. This includes gifts as well as income and net gains and losses accruing on those gifts, whose use by the University is subject to donor-imposed stipulations.

Net assets with donor restrictions in perpetuity – Net assets that are subject to donor-imposed restrictions that are permanently maintained by the University. Generally, the donors of these assets permit the University to use all or part of the return on related investments for general or specific purposes. This includes gifts, trusts, and contributions that, by donor restriction, require the corpus be invested in perpetuity.

Cash and cash equivalents – Cash and cash equivalents consist of cash balances and short-term, highly liquid investments with remaining maturities of 90 days or less as of the University's fiscal year end. Amounts also include money market mutual funds, all of which comply with Rule 2a-7 of the Investment Company Act of 1940 that seeks to limit the risk of money market funds. The University holds cash and cash equivalents at several major financial institutions, which during the course of the year, exceeded the amounts insured by the Federal Depository Insurance Corporation (FDIC) or National Credit Union Administration (NCUA). Assets with the characteristics of cash and cash equivalents that are held in donor-restricted endowment funds are reported as long-term investments.

Included in cash and cash equivalents and short-term investments are assets that are donor or contractually restricted for investment in property, plant, and equipment of \$862 and \$842 as of May 31, 2025 and 2024, respectively.

Investments – Except for direct investments in real property, the University manages its investments by using external investment managers. These investment managers invest the University's funds in various financial instruments in accordance with Board-approved investment policies. The University classifies investments as short-term investments or long-term investments depending upon the investment time horizon, liquidity considerations, and intended purpose and use of the assets.

Gonzaga University
Notes to Consolidated Financial Statements
(In thousands)

To enable broad diversification and economies of scale, the University's policy is to pool endowment and other long-term assets for investment purposes to the fullest extent possible as permitted by gift agreements and any applicable government regulations. In the limited cases when a donor has prohibited a gift from being pooled for investment purposes, or where the nature of the gift calls for it to be separately invested, those assets are separately invested and managed.

The University's investments are recorded in the consolidated financial statements at fair value. Investments contributed to the University are recorded at the fair value at the date of contribution. Return on investments is shown net of external and direct internal expenses. Return on investments is reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions or net assets with donor restrictions.

Investments are exposed to various risks, such as interest rate, market, foreign currency, credit, and regulatory risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect total net assets and the amounts reported in the consolidated statements of financial position. Any such changes, however, would not change the reporting balance on the consolidated statement of financial position as of year-end. The University is a limited partner in a managed diversified global multi-asset fund that represents a significant concentration of investment risk, such amounts comprising 26% and 25% of long-term investments as of May 31, 2025 and 2024, respectively.

Beneficial interest in split-interest agreements held by others – The University is the irrevocable beneficiary of the income or the residual interest of assets in charitable split-interest agreements held by outside trustees. At the date of donation, the University recognizes its beneficial interest in the outside split-interest agreement as a contribution at fair value that is measured as the present value of the estimated expected future benefits to be received. The contribution revenue recognized is classified as an increase in net assets with donor restrictions based on the time or use restrictions placed by the donor upon the University's beneficial interest in the split-interest agreement. Periodic adjustments to the beneficial interest to reflect changes in the fair value, life expectancy, and discount rate are recognized as changes in value of split-interest agreements.

Split-interest agreements – The University has legal title, as trustee, to irrevocable charitable remainder trusts and also receives contributions in connection with charitable gift annuity contracts. Actuarial methods are used to record these annuities and trusts using discount rates ranging from 4% to 6%. When a gift is received, the present value of future expected payments to the beneficiaries is recorded as a liability based upon life expectancy and discount rate assumptions and the remainder is recorded as a contribution. Annuity and trust assets are reported at fair value and included within long-term investments on the consolidated statements of financial position. Investment returns, beneficiary payments, and direct costs of funds management are charged to the liability accounts, with periodic adjustments made between the liability and the net assets to record actuarial gains or losses resulting from changes in fair value and life expectancy.

The University maintains separate funds adequate to meet future payments under its charitable gift annuity contracts as required by state laws. The total investments held in separate funds were \$4,043 and \$3,776 as of May 31, 2025 and 2024, respectively. The corresponding amount included in split-interest agreement obligations to meet future payments under gift annuity contracts was \$1,664 and \$1,629 as of May 31, 2025 and 2024, respectively.

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Accounts and interest receivable, net – Accounts receivable from students are included in accounts and interest receivable, net, in the consolidated statements of financial position. Student accounts receivable are amounts due from students primarily for tuition and fees and are stated at the amount billed to students less applied scholarships and loan proceeds. The University offers several payment plans that allow students to defer payment for a nominal fee. Late fees are charged on delinquent accounts. Student account receivable balances by nature are noninterest-bearing, short-term, unsecured, and do not have specific due dates. Student accounts receivable is presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The University separates student accounts receivable into risk pools based on whether they are in collection. In determining the amount of the credit loss as of the consolidated statement of financial position date, the University develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

Accounts receivable are written off only when they are deemed to be permanently uncollectible.

Contributions receivable, net – Contributions are recognized as revenue when the donor's commitment is made. Unconditional promises are recognized at the estimated present value of the future cash flows using discount rates, net of allowances for doubtful accounts. The discounts are determined using a rate that is commensurate with the risks involved and applicable to the years in which the promises are received. The discount rates utilized were between 2.81% to 7.38% as of May 31, 2025 and 2024. Based upon historical pledge payments and current information, an allowance for doubtful accounts is determined. Account balances are charged off against the allowance when collection is considered remote. Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as revenue with donor restrictions.

Student loans receivable, net – Student loans receivable are primarily amounts loaned to students under the Federal Perkins Loan Program, and Nursing Student Loans as well as institutional loan programs and are stated at their outstanding principal amount. Principal and interest payments on Federal loans generally do not commence until 9 months after the borrower graduates or 6 months after the individual otherwise ceases enrollment. Principal and interest payments on institutional loans generally do not commence until 6 months after the borrower graduates or otherwise ceases enrollment. Given the nature of the types of student loans receivable, federal loan programs and institutional loan program receivables are analyzed separately for credit losses.

The University estimates the allowance for credit losses on its student loans receivable using the current expected credit losses (CECL) methodology, which requires the University to estimate lifetime expected credit losses on its student loans receivable at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The University employs a provisional loss rate approach to estimate the expected credit losses. Under this approach, the University segments the student loans portfolio based on shared risk characteristics, such as the type of loan (federal or institutional). For each segment, the University calculates an average loss rate based on historical default and recovery rates, adjusted for current conditions, and forward-looking information, including economic forecasts related to unemployment rates and inflation. The University continually monitors the appropriateness of its CECL methodology and makes adjustments as necessary to reflect the changes that may impact the student loan portfolio.

The notes receivable bear interest ranging from 3% to 7% and are generally repayable to the University over a period not to exceed ten years.

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Property, plant, and equipment, net – Property, plant, and equipment are stated at cost at the date of acquisition or fair value at the date of donation. The cost of improvements in excess of \$100 and all other property, plant, and equipment in excess of \$5 are capitalized. Property, plant, and equipment purchased in connection with a building acquisition or construction project but less than \$5 is also capitalized. Normal repair and maintenance expenses and minor equipment costs are expensed as incurred. Depreciation, except for land and collection of artworks, is provided for on a straight-line basis over the estimated useful lives of the respective assets as follows:

Land improvements	20–40 years
Buildings	20–50 years
Equipment and furniture	3–12 years
Library books	10 years

The University owns a collection of artwork that is held for public exhibition, education, and research rather than for financial gain. The collection of artwork is recorded at cost if purchased and at fair value if donated. Gains and losses from sales or insurance recoveries are reported as changes in net assets based on the absence or existence and nature of donor-imposed restrictions. The collection of artwork is insured, protected, kept unencumbered, cared for, and preserved.

Asset retirement obligations include legal environmental obligations associated with the retirement of long-lived assets. These liabilities are recorded in accounts and other payables on the consolidated statements of financial position at fair value when incurred and are capitalized by increasing the carrying amount of the associated long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated on a straight-line basis through the estimated date of retirement. The liability is removed when the obligation is settled.

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues in net assets without donor restrictions. Contributions of cash or other assets to be used to acquire property, plant, and equipment are reported as revenues with donor restrictions. The restrictions are released when the long-lived assets are placed in service.

Deferred revenue and refundable advances – Deferred revenue includes tuition and other student deposits related to programs applicable to the next fiscal year, as well as grants and other payments received in advance of incurring related expenses. Deferred revenue is recognized ratably as revenue in the fiscal year that it is earned. Refundable advances consist of vendor incentive payments and are recognized as a reduction of operating expenses or recognized as revenue from other sources over the term of the agreements.

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Long-term investments held in custody for others – The University manages certain investments on behalf of the Gonzaga Preparatory School Foundation and St. Aloysius Gonzaga Foundation, both charitable organizations organized to support other ministries of the society of Jesus within the Diocese of Spokane. The management of these investments is subject to agreements that governs the arrangements, including additions and redemptions. Additions buy an undivided beneficial ownership interest in the University's pooled endowment. Redemptions can be requested, in addition to the annual spending distribution, subject to the underlying liquidity of the endowment pool. A redemption request not to exceed 50% of the fair value of the undivided beneficial interest in the endowment pool will be distributed within 30 calendar days. A redemption request in excess of 50% and up to 80% of the fair value of the beneficial interest in the endowment pool may be subject to a longer redemption period informed by the liquidity of the underlying investments in the endowment pool and will be paid within 180 calendar days. A redemption request in excess of 80% of the fair value of the beneficial interest in the endowment pool shall be considered a full redemption and will lead to the complete redemption of all remaining units, paid within 180 calendar days. Long-term investments held in custody for others were \$23,559 and \$20,216 as of May 31, 2025 and 2024, respectively.

Leases – The University determines if an arrangement is or contains a lease at inception of the contract and classifies leases as either operating or finance depending upon the terms and conditions set forth in the contract. The University uses an incremental borrowing rate to determine the present value of lease payments when the implicit rate in the lease is not readily available. The current treasury rate and the University's current borrowing rate are factored into the incremental borrowing rate calculation.

The University recognizes operating lease expense within occupancy, utilities, and maintenance expense in the consolidated statements of activities on a straight-line basis over the lease term. On the consolidated statements of financial position, right-of-use assets represent the University's right to use the underlying assets for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Right-of-use assets are reduced each period by an amount equal to the difference between the operating lease expense and the amount of interest expense on the lease liability utilizing the effective interest method. The University's policy is not to record a right-of-use asset and lease liability for leases with terms less than one year. Upon adoption, the University elected not to reassess whether existing contracts contain leases, and not to reassess lease classification for leases that commenced before the adoption date of the new lease standard.

Finance lease assets are amortized on a straight-line basis within depreciation and amortization on the consolidated statements of activities over the lease term. Interest expense associated with finance leases is recorded using the effective interest method and is included in interest expense on the consolidated statements of activities. The University recognizes variable expenses, other than those related to rates or indices, in operating expenses in the period in which the obligation is incurred.

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Revenue recognition – Student tuition, fees, and room and board are recognized in the period the services are provided. Institutional scholarships awarded to students reduce the amount of revenue recognized. Students who adjust their course load or withdraw completely within the first four weeks of the academic term may receive a full or partial refund in accordance with the University's refund policy. Payments for tuition are due approximately three weeks prior to the start of the academic term. Unconditional grants, contracts, and contributions, including promises to give, are recognized in the period earned and are reported as increases in the appropriate category of net assets. Conditional or contingent grants and contributions are not recorded as revenue until the conditions on which they depend have been substantially met. Return on investments are recorded on the accrual basis of accounting. Other sources of revenue not otherwise categorized are recognized in the fiscal year in which they are earned.

Functional allocation of expenses – The University's primary program activity is academic instruction and support. Facilities operation and maintenance, interest, and depreciation and amortization are allocated among functional classifications based on usage of space, square footage, building costs, and debt proceeds usage. Information technology costs are allocated based on software usage and the overall number of employees in the various functional categories. All other costs are charged directly to the appropriate functional category.

Advertising – Costs expensed for the years ended May 31, 2025 and 2024, were \$2,955 and \$2,294, respectively, and is recorded in professional fees and contracted services in the consolidated statements of activities.

Income taxes – The Internal Revenue Service (IRS) has recognized the Corporation and Foundation as exempt from tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, except to the extent of unrelated business income under Sections 511 through 515. Unrelated business income tax, if any, is immaterial. As of May 31, 2025 and 2024, the University had no uncertain tax positions requiring accrual. The University may be subject to routine audit by the IRS; however, there are currently no audits for any tax periods in progress.

Operating and nonoperating activities – The University's measure of operating activities, presented in the consolidated statements of activities, includes all transactions that are incurred in the course of the normal business operations of the University. Nonoperating activities presented in the consolidated statements of activities include transactions that result from something other than the ongoing day-to-day activity of the University.

Concentrations of financial aid – A significant number of students attending the University receive financial assistance from the U.S. government student financial aid programs. These programs require the University to comply with recordkeeping, eligibility, and other requirements. Failure to comply with such U.S. government requirements could result in the loss of U.S. government financial assistance to the University's students and adversely impact the operations of the University.

Use of estimates – The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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Subsequent events – Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are issued. The University recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The University’s consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position but arose after the consolidated statement of financial position date and before the consolidated financial statements are issued.

The University has evaluated subsequent events through September 9, 2025, which is the date the consolidated financial statements were issued.

Note 3 – Accounts and Interest Receivable, Net

Accounts and interest receivable, net, consisted of the following as of May 31:

	2025	2024
Government grants	\$ 6,665	\$ 5,648
Student receivables	3,787	3,890
Miscellaneous receivables	2,367	5,190
Accrued interest receivable	353	347
	13,172	15,075
Less allowance for credit losses		
Beginning of year	(100)	(100)
Increase in provision	(77)	(83)
Write-offs, net of recoveries	77	83
End of year	(100)	(100)
Total	\$ 13,072	\$ 14,975

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Note 4 – Contributions Receivable, Net

Contributions receivable, net, at May 31 are expected to be realized in the following periods:

	<u>2025</u>	<u>2024</u>
In one year or less	\$ 23,527	\$ 16,908
Between one year and five years	21,536	16,017
More than five years	14,106	14,110
Less present value discounts	<u>(10,998)</u>	<u>(9,826)</u>
	48,171	37,209
Less allowance for doubtful accounts	<u>(684)</u>	<u>(703)</u>
Total	<u>\$ 47,487</u>	<u>\$ 36,506</u>

Contributions receivable, net, at May 31 are designated as follows:

	<u>2025</u>	<u>2024</u>
With donor restrictions for financial aid and program support	\$ 23,301	\$ 13,241
With donor restrictions for property, plant, and equipment	17,575	16,542
With donor restrictions for endowment financial aid and chairs	<u>6,611</u>	<u>6,723</u>
Total	<u>\$ 47,487</u>	<u>\$ 36,506</u>

Note 5 – Student Loans Receivable, Net

The University makes uncollateralized loans to students based on financial need. Student loans are funded through federal government loan programs and institutional resources.

Student loans receivable, net, consisted of the following as of May 31:

	<u>2025</u>	<u>2024</u>
Federal government programs	\$ 2,365	\$ 3,157
Institutional programs	<u>4,125</u>	<u>3,332</u>
	6,490	6,489
Less allowance for credit losses:		
Beginning of year	(205)	(135)
Increase in provision	<u>(5)</u>	<u>(70)</u>
End of year	<u>(210)</u>	<u>(205)</u>
Total	<u>\$ 6,280</u>	<u>\$ 6,284</u>

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The University participates in the Perkins and Nursing federal revolving loan programs. The availability of funds for new loans under the programs is dependent on reimbursements to the programs from repayments on outstanding loans and the continuation of the program by the federal government. Outstanding loans cancelled under the programs result in a reduction of the funds available for new loans and a decrease in the liability to the government. Funds advanced by the federal government are ultimately refundable to the government. The liability due to the government was \$1,375 and \$2,368 at May 31, 2025 and 2024, respectively.

The University has been notified that the federal government will collect the federal share of the University's Perkins Loan Revolving Funds annually from the University as loans are paid back to the University by students. The University estimates the federal share will be returned to the government over the next 3-5 years.

At May 31, 2025 and 2024, the following amounts were past due under all student loan programs:

May 31,	1-59 Days Past Due	60-89 Days Past Due	90-119 Days Past Due	120-179 Days Past Due	180-729 Days Past Due	730+ Days Past Due	Total Past Due
2025	\$ -	\$ 3	\$ 2	\$ 2	\$ 77	\$ 296	\$ 380
2024	\$ -	\$ 4	\$ 1	\$ 1	\$ 78	\$ 280	\$ 364

Allowances for credit losses are established based on prior collection experience and current economic factors, which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Institutional loan balances are written off only when they are deemed to be permanently uncollectible.

Note 6 – Investments

Short-term investments, at fair value, at May 31 are as follows:

	2025	2024
Fixed-income securities	\$ 42,169	\$ 35,650

Short-term investments consist of operating funds and funds held for fixed asset acquisition with the objectives of preserving principal, maintaining an appropriate degree of liquidity, and generating an appropriate risk-adjusted return.

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Long-term investments, at fair value, at May 31 are as follows:

	2025	2024
Cash and cash equivalents	\$ 2,433	\$ 1,907
Equity securities	146,239	129,519
Fixed-income securities	58,704	57,684
Commingled equity and debt funds	61,215	62,172
Alternative investments	202,298	182,410
Direct real property investments	81,762	78,218
Split-interest agreements	15,885	14,276
Other	248	307
 Total	 \$ 568,784	 \$ 526,493

Direct real property investments include gifted properties, three real property assets in downtown Seattle, Washington received through an estate gift, and an investment in a real estate joint venture which supports regional health science programs, including that of the University. As described in Note 1, the Seattle properties are held in separate single member LLCs, consisting of two parking garages and one surface parking lot, a portion of which is subject to a ground lease.

The University entered into a ground lease agreement in 2019 with an unrelated third-party entity to develop a portion of the surface parking lot into a proposed 340,000-square-foot multifamily residential housing facility. The City of Seattle issued a Master Use Permit for the project in September 2021. The issuance of the permit was challenged unsuccessfully to the City Hearing Examiner, to the Superior Court, and to the Washington Court of Appeals. With the issuance of the Master Use Permit and the end of all legal appeals, the lessee is now able to move forward with design and construction. The lessee may elect to terminate the ground lease, in its sole discretion, no later than December 31, 2026. The University has the right to terminate the lease if construction has not commenced by June 30, 2027. The lessee has forty-eight months from the start of construction to achieve substantial completion of the project. The University may terminate the ground lease if substantial completion is not achieved within this time period.

The annual ground lease payments are on a triple-net basis, subject to annual adjustment beginning in 2026, and reset every 20 years beginning with the initial reset of March 15, 2032. The ground lease will expire November 14, 2105. Upon the termination of the lease, all improvements will become the property of the University. The University has an end of term call right in the 70th and 75th year to buyout the ground lessee's interest in the improvements at the net present value of the anticipated remaining payments.

An initial deposit credit of \$600 is recorded in deferred revenues in the consolidated statements of financial position. If the lessee elects to terminate the lease prior to the completion of the improvements, the deposit will be retained by the University.

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The total lease income recognized on the development ground lease for the years ended May 31, 2025 and 2024, was \$1,375 and \$1,352, respectively, and is recorded as return on investments in the consolidated statements of activities. Fixed and probable lease payments for the development ground lease expected to be received on an annual basis in each of the next five years is \$1,375, plus annual adjustments beginning in 2026, subject to the conditions noted above.

The University also has lease agreements with an unrelated third-party parking company to operate two parking garages, and the portion of the surface parking lot that is not part of the development ground lease. The surface parking lot is leased on a month-by-month basis and the two garage leases expire in January 2026, all of which can be terminated by either party at any time with notice. The total lease income recognized by the University on these agreements for the years ended May 31, 2025 and 2024, was \$3,664 and \$2,541, respectively, and is recorded as return on investments in the consolidated statements of activities.

Lease income is recognized on a straight-line basis over the fixed noncancelable term of the agreement. Variable lease income is recognized as return on investments in the period in which changes in facts and circumstances occur.

Expenses incurred for the management and operation of the Seattle properties are recognized on an accrual basis and are recorded as a reduction in the return on investments in the consolidated statements of activities.

Included in long-term investments, measured at net asset value practical expedient, are commingled equity funds and alternative investments as follows:

	<u>2025</u>	<u>2024</u>
Commingled equity and debt funds	\$ 61,215	\$ 62,172
Alternative investments		
Managed diversified global multi-asset fund	146,272	133,592
Private equity funds	25,366	21,471
Private credit funds	24,028	20,980
Real estate funds	5,323	5,310
Diversified fund of funds	<u>1,309</u>	<u>1,057</u>
	<u>202,298</u>	<u>182,410</u>
Total	<u>\$ 263,513</u>	<u>\$ 244,582</u>

Long-term investments are largely composed of donor-restricted, Board-designated funds, and co-investments directed by management. Long-term investments are managed within various investment portfolios. See Notes 7 and 8 for return objectives and risk parameters for such funds.

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Note 7 – Endowment

The University's endowment consists of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund at May 31 is summarized as follows:

	2025				
	Without Donor Restrictions	With Donor Restrictions			Total
		Original Gift	Accumulated Return on Investments, Net of Distributions	Foundation Board- Designated (1)	
Board-designated funds	\$ 91,630	\$ -	\$ -	\$ 2,070	\$ 93,700
Donor-restricted funds	-	221,504	195,841	-	417,345
Underwater funds	-	550	(13)	-	537
Total	\$ 91,630	\$ 222,054	\$ 195,828	\$ 2,070	\$ 511,582

	2024				
	Without Donor Restrictions	With Donor Restrictions			Total
		Original Gift	Accumulated Return on Investments, Net of Distributions	Foundation Board- Designated (1)	
Board-designated funds	\$ 87,277	\$ -	\$ -	\$ 1,818	\$ 89,095
Donor-restricted funds	-	210,328	172,531	-	382,859
Underwater funds	-	4,339	(145)	-	4,194
Total	\$ 87,277	\$ 214,667	\$ 172,386	\$ 1,818	\$ 476,148

(1) Amounts shown as Board-designated funds with donor restrictions are Foundation assets restricted for use by the Gonzaga Law School Foundation.

Interpretation of relevant law – Under the Washington Uniform Prudent Management of Institutional Funds Act (WUPMIFA), the Board has adopted as policy for donor-restricted endowment funds the requirement to preserve the original fair value of the initial gift and any subsequent gifts (as of the respective gift date), along with any accumulations to the permanent endowment made at the direction of the donor, absent explicit donor stipulations to the contrary. Together, these amounts become the perpetual value of the funds. Net endowment return on investments that have not been appropriated for expenditure are classified as net assets with donor restrictions for time and purpose.

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In accordance with WUPMIFA, the University considers the following factors in making a determination to appropriate or accumulate income from donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the University and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation and depreciation of investments
- Other resources of the University
- The investment policies of the University

Return objectives and risk parameters – The University has adopted an investment and spending policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The University’s goal for its endowment funds, over time, is to provide an average annualized return of approximately 5% in excess of the Higher Education Price Index (HEPI) over a market cycle of three to five years. To satisfy this goal, the University 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 University maintains a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy – The University has a policy of appropriating for expenditure amounts from its pooled endowment fund each year based upon a hybrid rate that is the sum of two components:

- 70% based upon the HEPI applied to the prior year endowment spending amount.
- 30% based upon a rate of 4% to 5% of a three-year rolling average of the fund’s total market value, measured quarterly.

Absent donor stipulations to the contrary, the University will not appropriate for expenditure from a permanent pooled endowment fund if such expenditure will result in the fair value of the fund falling below the original gift of the fund, measured as of June 30 of the fiscal year of appropriation.

Funds with deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the University is required to retain as a fund of perpetual duration. Deficiencies of this nature reported in net assets with donor restrictions were \$13 and \$145 as of May 31, 2025 and 2024, respectively.

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Changes in endowment net assets are summarized as follows for the years ended May 31, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, May 31, 2023	\$ 81,922	\$ 351,898	\$ 433,820
Return on investments, net	8,720	39,902	48,622
Contributions and other additions	-	9,189	9,189
Amount distributed for operating activities	(3,466)	(12,202)	(15,668)
Transfers	101	84	185
Net assets, May 31, 2024	87,277	388,871	476,148
Return on investments, net	9,054	38,739	47,793
Contributions and other additions	-	8,095	8,095
Amount distributed for operating activities	(4,821)	(16,105)	(20,926)
Transfers	120	352	472
Net assets, May 31, 2025	<u>\$ 91,630</u>	<u>\$ 419,952</u>	<u>\$ 511,582</u>

Note 8 – Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques utilized maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs are developed based on market data obtained from sources independent of the University. Unobservable inputs reflect the University's own assumptions about market inputs based on its own data.

Assets and liabilities are classified in one of three categories as follows:

Level 1 – Inputs consist of quoted market prices in active markets for identical assets or liabilities the University has the ability to access at the measurement date.

Level 2 – Inputs consist of valuations other than quoted prices included in Level 1 that are observable by the University for the related asset or liability.

Level 3 – Inputs consist of unobservable valuations related to the asset or liability.

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The University uses the following methods and significant assumptions to estimate fair value, by level:

Level 1 assets include:

Mutual funds, index funds, cash and cash equivalents, and publicly traded stocks valued using active market exchange values of identical assets at the last reported sales price. These investments can be traded daily with trades settling between one and three days.

Level 2 assets and liabilities include:

- Investments in U.S. government and agency obligations, certificates of deposit, corporate bonds, municipal bonds, and asset-backed obligations. These investments use other observable inputs to measure fair value such as dealer market prices for comparable assets based on interest rates, spreads, and trade activity in the market.
- Investments in privately held stock valued using the market approach using recent sales.
- Certain investments in real property assets are valued using market quotations or tax assessed values that approximate fair values.

Level 3 assets include:

- Privately held stock valued based on the net asset value of the investment that approximates market value.
- Direct real property investments are valued based on independent appraisals of two parking garages and one surface lot, a portion of which is subject to a ground lease. The primary unobservable input for each of the parking garages, valued using an income approach, is the income capitalization rate, which was 7.52% for one garage and 5.69% for the other garage. A decrease of 0.25% in the underlying income capitalization rates would increase the fair value of the two parking garages by approximately \$1,139. An increase of 0.25% in the underlying income capitalization rates would decrease the fair value of the two parking garages by approximately \$1,052. The primary unobservable inputs for the surface parking lot, using a market approach, are the parameters associated with its future development, including the number of apartment units to be constructed, total developed square footage, and estimations of the revenue per square foot derived from market comparisons. The sensitivity associated with changes in these inputs is not quantified.
- Beneficial interests in the future cash flows of 11 different split-interest agreements are valued under the income approach, calculated using a discounted cash flow analysis based on the expected annuity payments to be made over the remaining life of each respective beneficial interest, utilizing a risk-free rate adjusted for the inherent risk of the assets held and the risk of nonperformance. The primary unobservable inputs for beneficial interests in split-interest agreements are the applicable discount rates that range from 4.39% to 8.07%, and applicable life expectancies that range from 6 to 45 years. A decrease of 1.0% in each of the underlying discount rates would increase the fair value by approximately \$1,898. An increase of 1.0% in each of the underlying discount rates would decrease the fair value by approximately \$1,433. The sensitivity associated with changes in life expectancies is not quantified.

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The following tables present assets and liabilities that are measured and carried at fair value on a recurring basis:

	May 31, 2025			Total
	Level 1	Level 2	Level 3	
Short-term investments				
Certificate of deposit	\$ -	\$ 5,182	\$ -	\$ 5,182
U.S. government and agency obligations	-	4,798	-	4,798
Corporate bonds	-	32,189	-	32,189
Total short-term investments	-	42,169	-	42,169
Long-term investments				
Cash and cash equivalents	2,433	-	-	2,433
Equity securities				
Mutual funds and index funds				
Domestic	81,602	-	-	81,602
International	51,495	-	-	51,495
Global	7,542	-	-	7,542
Direct ownership - public				
Domestic	5,515	-	-	5,515
International	85	-	-	85
Fixed income securities				
Mutual funds and index funds				
Domestic	55,192	-	-	55,192
International	3,512	-	-	3,512
Direct real property investments	-	1,073	80,689	81,762
Assets held under split-interest agreements				
Cash and cash equivalents	1,322	-	-	1,322
Equity mutual funds	7,949	-	-	7,949
Equity-direct ownership	2,713	-	-	2,713
Fixed income mutual funds	3,031	-	-	3,031
Fixed income-direct ownership	-	870	-	870
Other	242	6	-	248
Total long-term investments in fair value hierarchy	222,633	1,949	80,689	305,271
Beneficial interest in split-interest agreements held by others				
	-	-	10,733	10,733
Total assets in fair value hierarchy	<u>\$ 222,633</u>	<u>\$ 44,118</u>	<u>\$ 91,422</u>	<u>\$ 358,173</u>
Long-term investments measured at NAV practical expedient ⁽¹⁾				<u>\$ 263,513</u>

⁽¹⁾ In accordance with Subtopic 820-10, certain investments that are measured at net asset value (NAV) per share, using the practical expedient to estimate fair value, have not been classified in the fair value hierarchy. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position and related notes.

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	May 31, 2024			Total
	Level 1	Level 2	Level 3	
Short-term investments				
U.S. government and agency obligations	\$ -	\$ 7,135	\$ -	\$ 7,135
Corporate bonds	-	28,294	-	28,294
Municipal bonds	-	221	-	221
Total short-term investments	-	35,650	-	35,650
Long-term investments				
Cash and cash equivalents	1,907	-	-	1,907
Equity securities				
Mutual funds and index funds				
Domestic	77,318	-	-	77,318
International	38,182	-	-	38,182
Global	7,232	-	-	7,232
Direct ownership - public and privately held stock				
Domestic	5,944	-	843	6,787
Fixed income securities				
Mutual funds and index funds				
Domestic	54,444	-	-	54,444
International	3,240	-	-	3,240
Direct real property investments	-	1,073	77,145	78,218
Assets held under split-interest agreements				
Cash and cash equivalents	1,114	-	-	1,114
Equity mutual funds	7,421	-	-	7,421
Equity-direct ownership	2,280	-	-	2,280
Fixed income mutual funds	2,857	-	-	2,857
Fixed income-direct ownership	-	604	-	604
Other	301	6	-	307
Total long-term investments in fair value hierarchy	202,240	1,683	77,988	281,911
Beneficial interest in split-interest agreements held by others	-	-	13,381	13,381
Total assets in fair value hierarchy	\$ 202,240	\$ 37,333	\$ 91,369	\$ 330,942
Long-term investments measured at NAV practical expedient ⁽¹⁾				\$ 244,582

⁽¹⁾ In accordance with Subtopic 820-10, certain investments that are measured at net asset value (NAV) per share, using the practical expedient to estimate fair value, have not been classified in the fair value hierarchy. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position and related notes.

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Following is a reconciliation of activity for the years ended May 31, 2025 and 2024, of assets classified as Level 3:

	Privately Held Stock	Direct Real Property Investments	Beneficial Interest in Split-Interest Agreements Held by Others	Total
Balance, May 31, 2023	\$ 843	\$ 74,249	\$ 13,853	\$ 88,945
Contributions	-	18	100	118
Return on investments	-	6,325	578	6,903
Return of capital	-	(3,447)	(1,150)	(4,597)
Balance, May 31, 2024	843	77,145	13,381	91,369
Return on investments	(843)	7,691	(1,255)	5,593
Return of capital	-	(4,147)	(1,393)	(5,540)
Balance, May 31, 2025	<u>\$ -</u>	<u>\$ 80,689</u>	<u>\$ 10,733</u>	<u>\$ 91,422</u>

Unrealized gains for investments classified as Level 3 were \$3,249 and \$3,202 for the years ended May 31, 2025 and 2024, respectively.

Redemption, funding commitments, restrictions, and other information associated with the nature and valuation of applicable investments are as follows:

	Fair Value at May 31, 2025	Unfunded Cash Commitments	Redemption Frequency (if Eligible)	Redemption Notice Period	Investment Strategies and Other Restrictions
Commingled equity funds	\$ 61,215	\$ -	(a)	(a)	(a)
Alternative investments					
Managed diversified global multi-asset fund	146,272	-	(b)	(b)	(b)
Private equity funds	25,366	6,622	(c)	n/a	(c)
Private credit funds	24,028	15,871	(d)	n/a	(d)
Real estate fund	5,323	-	(e)	(e)	(e)
Diversified fund of funds	1,309	39	(f)	(f)	(f)
	<u>202,298</u>	<u>22,532</u>			
Total long-term investments measured at NAV practical expedient	<u>\$ 263,513</u>	<u>\$ 22,532</u>			

- a) Four of the five commingled equity and debt funds in this category can be redeemed monthly with notice (ranging from 15 days to 31 days), and a fifth fund can be redeemed on a quarterly basis, unless any withdrawal from the funds would have a materially adverse effect on the fund. The funds' investment objective is to achieve long-term capital appreciation by investing in a portfolio of primarily international market companies, global companies, and global credit opportunities.

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- b) The University may receive up to 5.5% of this capital account balance in the fund as an automatic annual distribution. The election must be made in the first quarter of the calendar year preceding the first calendar year to which the distribution applies, and amounts will be distributed within 90 days of the end of the calendar year, or within ten business days after the fund's audited financial statements for the year are completed.

For distributions in excess of the automatic annual distribution, the University may request the withdrawal of all or a portion of its capital account, with a minimum withdrawal of at least \$1,000, on the last day of any calendar year by providing a withdrawal request at any time during the fourth quarter of the preceding calendar year. The amount requested to be withdrawn will be apportioned between the liquid portion and limited liquidity portion of the University's capital account, as determined based on the liquidity attributes of the underlying fund investments. As of May 31, 2025, the value of the liquid portion is \$5,935. The fund will make a distribution within 30 days after the effective withdrawal date in an amount not less than 90% of the liquid portion, with the remaining liquid portion amount paid subsequent to the fund's financial statement audit. For withdrawal amounts attributable to the limited liquidity portion, distributions will be made within 45 days after the realization or deemed realization of assets held in that account. Distributions may be made in cash, fund assets, or both. The fund general partner can also suspend the rights of the University and other limited partners to make withdrawals or receive distributions for all or part of any period of market disruption. The fund general partner may also limit withdrawals such that they do not exceed 15% of the liquid subaccount balance.

The fund's objective is to manage and grow long-term capital with equity-like annual returns of 10%–12% over time, with lower-than-average risk, with investments in private and public equity, real estate, fixed income, natural resources, and uncorrelated.

- c) This category includes eight private equity funds that invest in privately held entities with potential for significant growth in revenue and earnings, including one impact fund focused on investments that have a positive societal (i.e. social and/or environmental) impact, and one sustainable real assets fund. Each fund is nonredeemable and can be sold only on the secondary market as long as the respective fund general partner receives an opinion from counsel that such a transfer is not in violation of certain sanctions of the Securities Act, Investment Company Act, and/or federal tax laws. It is estimated that the underlying assets of the funds will be liquidated between 2025 and 2035.
- d) This category includes six private credit funds, including a mezzanine debt fund, three special opportunities funds, an upper-middle market direct lending fund, and a European direct fund. Each fund has the objective to invest in debt and debt-like preferred securities of companies, primarily to generate interest income, within the mandate of the respective fund. Each fund is nonredeemable and can be sold only on the secondary market as long as the respective fund general partner receives an opinion from counsel that such a transfer is not in violation of certain sanctions of the Securities Act, Investment Company Act, and/or federal tax laws. Distributions are received through the liquidation of the underlying assets of the funds. It is estimated the underlying assets of these funds will be liquidated between 2025 and 2029.

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- e) This category includes a real estate fund primarily invested in U.S. commercial and residential real estate with the objective to invest in real estate assets to generate capital appreciation and operating income. Investments in the fund can be redeemed with at least 90-day notice, as liquid assets in the fund permits.
- f) This category includes one private equity fund with underlying investments in direct private equity and private equity funds. Each fund has the objective to generate capital appreciation at a rate in excess of that historically generated by investments in publicly traded equity securities. The funds can only be redeemed through the liquidation of underlying assets, and as underlying assets are liquidated, distributions are received. It is estimated that the underlying assets of the illiquid funds will be liquidated between 2025 and 2026.

Valuation of alternative investments – Alternative investments that are not readily marketable or redeemable are valued utilizing the most current information provided by the fund managers using the net asset value (NAV) per share of the respective fund as a practical expedient to estimate the fair value of the University’s interest in the respective fund. The NAV is determined in accordance with a fund’s policies as described in their respective financial statements and offering memoranda. The most recent NAV reported, which in most instances is as of March 31 of the respective fiscal year, is adjusted for any investment-related transactions such as capital calls or distributions and significant known valuation changes of its related portfolio through May 31 of the respective fiscal year. These investments are generally less liquid than other investments, and the value reported may differ from the values that would have been reported had a ready market for these investments existed.

Valuation limitations – The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. In addition, while the University believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Note 9 – Property, Plant, and Equipment, Net

Components of property, plant, and equipment, net, at May 31 are as follows:

	2025	2024
Land	\$ 13,283	\$ 12,807
Land improvements	9,171	9,105
Buildings	554,030	533,582
Equipment and furniture	52,743	49,945
Collection of artwork	5,916	5,721
Library books	6,027	5,926
Construction in progress	6,325	16,801
	647,495	633,887
Less accumulated depreciation	(245,008)	(228,256)
Total	\$ 402,487	\$ 405,631

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Construction in progress consisted of the following major projects during the years ended May 31:

Project	Cost to Date May 31, 2024	Current Year Additions	Placed into Service	Cost to Date May 31, 2025
Manresa Hall Renovations	\$ 76	\$ 1,463	\$ -	\$ 1,539
Mantua Hall	11,008	4,222	(15,230)	-
All other projects	5,717	4,523	(5,454)	4,786
Total	\$ 16,801	\$ 10,208	\$ (20,684)	\$ 6,325

Project	Cost to Date May 31, 2023	Current Year Additions	Placed into Service	Cost to Date May 31, 2024
Scott and Liz Morris Family Indoor Training Facility	\$ 3,038	\$ 10,392	\$ (13,430)	\$ -
Mantua Hall	629	10,379	-	11,008
All other projects	2,916	5,433	(2,556)	5,793
Total	\$ 6,583	\$ 26,204	\$ (15,986)	\$ 16,801

Note 10 – Lines of Credit

The University has committed lines of credit with separate banks. Any outstanding balance is due on or before the termination of these agreements. The lines of credit consist of the following:

Line of Credit	Total Available Credit	Rate	Term	Security	Balance at May 31, 2025	Balance at May 31, 2024
Revolving operating	\$ 15,000	Prime minus a margin based on the University's credit rating (2.00%); floor of 0.50%; 5.50% as of May 31, 2025, subject to an unused fee of 0.10%	2/28/2028	Parity lien on gross revenue without donor restriction, as defined in the loan agreement	\$ -	\$ -
Revolving operating	10,000	30 day average secured overnight financing rate plus 1.85%, floor of 4.00%; 6.16% as of May 31, 2025	12/1/2025	Parity lien on gross revenue without donor restriction, as defined in the loan agreement	-	-

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Note 11 – Deferred Revenues and Refundable Advances

Deferred revenues and refundable advances consisted of the following:

	Balance at May 31, 2024	Revenue Recognized	Cash Received in Advance of Performance	Balance at May 31, 2025
Tuition	\$ 12,998	\$ 12,998	\$ 12,456	\$ 12,456
Refundable advances	6,209	1,463	-	4,746
Total	\$ 19,207	\$ 14,461	\$ 12,456	\$ 17,202

	Balance at May 31, 2023	Revenue Recognized	Cash Received in Advance of Performance	Balance at May 31, 2024
Tuition	\$ 14,413	\$ 14,413	\$ 12,998	\$ 12,998
Refundable advances	7,824	1,615	-	6,209
Total	\$ 22,237	\$ 16,028	\$ 12,998	\$ 19,207

Refundable advances consist of vendor incentive payments. The balance of refundable advances will be recognized as a reduction of operating expenses or as revenue from other sources during the terms of the agreements that expire through 2029.

Note 12 – Leases

The University is the lessee in three operating leases. One lease expires in 2031 and is for the rental of land occupied by an apartment building constructed by the University. Another operating lease is for the rental of academic exhibit space. This lease was terminated early during the current year resulting in a loss of \$145 recorded in the consolidated statement of activities. This loss represents the difference between the carrying amount of the right-of-use asset and the lease liability at the termination date and a termination penalty. The impact on the right-of-use asset and lease liability were decreases of \$111 and \$108, respectively. The other operating lease is for the rental of space and tenant improvements in a new facility constructed by a third-party developer adjacent to the University's Spokane campus. This facility is the home of the Spokane operations of the University of Washington School of Medicine and the University's School of Health Sciences. The University's rental area is 31,743 square feet which represents 36% of the total rentable area of 88,209 square feet. Provided certain conditions are met, the University has the right of opportunity to purchase the building, if at any time during the lease term and extension periods, the landlord intends to offer the building for sale to third-parties or accepts an offer of a third-party to purchase the building. During the initial lease term, the annual lease payments range from \$1,654 to \$2,170, plus common area charges. The initial lease expires in 2034 with five extension options to extend the term for a period of five years per option period. The University is not reasonably certain to exercise the options to extend, therefore, the options are not included in the lease liability.

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As of May 31, 2025 and 2024, the University recognized an operating lease liability of \$16,201 and \$17,574, respectively, with a corresponding right-of-use asset of \$15,591 and \$17,135, respectively, based on the present value of the minimum rental payments. Cash payments for amounts included in the measurement of lease liabilities were \$1,880 and \$1,838 for the years ended May 31, 2025 and 2024, respectively, and are reflected within cash flows from operating activities on the consolidated statement of cash flows. The weighted average discount rate is 3.62% as of May 31, 2025 and 2024, and the weighted average remaining lease term is 8.9 years and 9.8 years as of May 31, 2025 and 2024, respectively.

The University is the lessee in six finance leases. One lease is for the rental of an apartment complex that expires in 2093. The other five finance leases are for the rental of equipment that expire in various years through 2029.

As of May 31, 2025 and 2024, the University recognized a finance lease liability of \$2,902 and \$3,298, respectively, with a corresponding right-of-use asset of \$2,783 and \$3,208, respectively, based on the present value of the minimum rental payments. Cash payments for amounts included in the measurement of lease liabilities were \$1,043 and \$1,079 for the years ended May 31, 2025 and 2024, respectively, and are reflected within cash flows from operating activities of \$110 and \$131, respectively, and cash flows from financing activities of \$933 and \$948, respectively, on the consolidated statement of cash flows. The weighted average discount rate is 3.61% and 3.49% as of May 31, 2025 and 2024, respectively and the weighted average remaining lease term is 12.2 years and 11.8 years as of May 31, 2025 and 2024, respectively.

Lease costs recognized in the consolidated statements of activities as of May 31 are as follows:

	<u>2025</u>	<u>2024</u>
Finance lease cost		
Amortization of right-of-use asset	\$ 962	\$ 1,013
Interest on lease liabilities	110	131
Operating lease cost	2,049	2,049
Variable lease cost	21	18
Short-term lease cost	<u>68</u>	<u>170</u>
Total lease cost	<u>\$ 3,210</u>	<u>\$ 3,381</u>

Future minimum lease payments are as follows:

<u>Years Ending May 31,</u>	<u>Finance</u>	<u>Operating</u>
2026	\$ 833	\$ 1,841
2027	724	1,885
2028	724	1,931
2029	502	1,977
2030	30	2,025
Thereafter	<u>1,897</u>	<u>9,526</u>
Total minimum lease payments	4,710	19,185
Amounts representing interest	<u>(1,808)</u>	<u>(2,984)</u>
Present value of net minimum lease payments	<u>\$ 2,902</u>	<u>\$ 16,201</u>

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Note 13 – Bonds Payable

Bonds payable consisted of the following as of May 31:

	2025	2024
Taxable bonds		
Series 2019 B	\$ 13,680	\$ 15,200
Series 2016 A	108,275	108,275
Series 2013 B	20,000	20,000
Tax exempt bonds		
Series 2023	32,030	32,030
Series 2022	9,475	9,475
Series 2019 A	44,685	44,685
	228,145	229,665
Unamortized net premium	825	879
Unamortized debt issuance costs	(1,861)	(1,964)
	\$ 227,109	\$ 228,580
Total		

The Series 2019 B taxable bonds, issued through Washington Higher Education Facilities Authority (WHEFA), have an original issuance of \$30,315 and were issued in conjunction with the Series 2019 A bonds. Interest rates are fixed and range from 1.896% to 2.889%. Principal payments began in 2020 with final maturity in 2034 and the bonds have an optional make-whole call.

The Series 2016 A taxable bonds have an original issuance of \$108,275. The interest rate is fixed at 4.158%. Principal payments begin in 2044 with final maturity in 2046 and the bonds have an optional make-whole call.

The Series 2013 B taxable bonds, issued through WHEFA, have an original issuance of \$20,000. The interest rate is fixed at 6.00%. Principal payments begin in 2039 with final maturity in 2040 and the bonds have an optional make-whole call.

The Series 2023 tax-exempt bonds, issued through WHEFA, have an original issuance of \$32,030. The interest rate is fixed at 4.00%. Principal payments begin in 2041 with final maturity in 2043 and the bonds have a par call in 2033. The Series 2023 bonds were used to call the 2013 A bonds.

The Series 2022 tax-exempt bonds, issued through WHEFA, have an original issuance of \$9,475. The interest rate is fixed at 4.00%. The principal amount is due in 2047 and the bonds are callable at par in fiscal year 2032.

The Series 2019 A tax-exempt bonds, issued through WHEFA, have an original issuance of \$44,685 and were issued in conjunction with the Series 2019 B bonds. The interest rate is fixed at 3.00%. The principal amount is due in 2049 and the bonds are callable at par in fiscal year 2030.

The taxable bonds and tax exempt bonds are secured on a parity basis by a pledge of, and lien on, all gross revenues without donor restrictions, as defined in the loan agreement.

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Scheduled principal payments on bonds payable are as follows:

<u>Years Ending May 31,</u>	<u>Principal</u>
2026	\$ 1,520
2027	1,520
2028	1,520
2029	1,520
2030	1,520
Thereafter	<u>220,545</u>
	228,145
Unamortized net premium	825
Unamortized debt issuance costs	<u>(1,861)</u>
Total	<u><u>\$ 227,109</u></u>

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Note 14 – Net Assets

The University's net assets were available for the following purposes at May 31:

	2025	2024
Without donor restrictions		
Available for operations	\$ 95,851	\$ 94,858
Property, plant, and equipment	167,894	169,689
Board-designated quasi-endowment for financial aid	43,856	42,152
Board-designated quasi-endowment for general support	33,866	32,140
Board-designated quasi-endowment for program support	13,908	12,985
Board-designated for investment in property, plant, and equipment	145	145
Total without donor restrictions	\$ 355,520	\$ 351,969
With donor restrictions for time or purpose		
Unappropriated donor-restricted endowment earnings	\$ 195,828	\$ 172,386
Program support	52,511	32,739
Financial aid	10,184	5,296
Property, plant, and equipment	7,770	5,632
Life income funds	2,135	3,216
Board-designated quasi-endowment for Foundation	2,070	1,818
Academic chairs	1,695	2,039
Annuities	961	870
Student loan program	12	12
Total with donor restrictions for time or purpose	\$ 273,166	\$ 224,008
With donor restrictions in perpetuity		
Financial aid	\$ 156,741	\$ 150,547
Program support	29,777	28,023
Academic chairs	21,447	21,457
Split-interest agreements	10,945	11,521
Student loan program	3,144	3,119
Total with donor restrictions in perpetuity	\$ 222,054	\$ 214,667

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Note 15 – Financial Assets and Liquidity Resources

The following table reflects the University's financial assets, reduced by amounts not available for general expenditures within one year. Financial assets are unavailable when illiquid or not convertible to cash within one year. Other considerations of non-liquid assets are perpetual endowments and accumulated earnings net of appropriations within one year, amounts restricted by donors for nonoperating activities, amounts limited by the University's Board of Trustees, student loans receivable, deposits with bond trustees, and assets held by others. The University considers investment income without donor restrictions, appropriated earnings from donor-restricted and Board-designated endowments, contributions without donor restrictions, and contributions with donor restrictions for current operating activities to be available to meet cash needs for general expenditures. The University considers all expenditures related to its operating activities that are incurred in the course of the normal business operations of the University to be general expenditures.

	2025	2024
Financial assets		
Cash and cash equivalents	\$ 70,971	\$ 59,261
Short-term investments	42,169	35,650
Accounts and interest receivable, net	13,072	14,975
Contributions receivable, net	47,487	36,506
Student loans receivable, net	6,280	6,284
Deposits with bond trustees	3	1,056
Long-term investments	568,784	526,493
Beneficial interest in split-interest agreements held by others	10,733	13,381
	<u>759,499</u>	<u>693,606</u>
Financial assets at May 31		
Less financial assets unavailable for general expenditure within one year		
Accounts receivable beyond one year	1,043	889
Contributions receivable collectible beyond one year	25,327	20,507
Student loan receivable restricted for financial aid purposes	6,280	6,284
Deposits with bond trustees restricted for construction or debt service	3	1,056
Other assets with donor, contractual, or board restrictions for construction	3,652	3,194
Endowment assets, net of appropriation for next fiscal year	483,858	448,778
Long-term investments held in custody for others	23,559	20,216
Non-endowment investments beyond one year	8,971	9,891
Assets held by others	10,733	13,381
	<u>563,426</u>	<u>524,196</u>
Financial assets unavailable for general expenditure within one year		
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 196,073</u>	<u>\$ 169,410</u>

The University's practice is to structure its financial assets to be available as its general expenses, liabilities, and obligations come due. In addition to financial assets available to meet general expenditures over the next year, the University's goal is to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the consolidated statements of cash flows, which illustrates the sources and uses of the University's cash provided by operating activities for the years ended May 31, 2025 and 2024.

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Cash in excess of daily requirements is typically invested in short-term, liquid securities. The University also has \$25,000 in committed lines of credit. The outstanding advances against the lines of credit for the years ended May 31, 2025 and 2024, were \$0 for both years. Included in endowment assets, net of appropriation for next fiscal year, the University has \$91,630 and \$87,277 in Board-designated endowment as of May 31, 2025 and 2024, respectively. These funds remain available and may be spent at the discretion of the Board. The University maintains sufficient liquidity within the endowment to cover Board-designated amounts, funding commitments, and appropriations for spending distributions. Outstanding funding commitments are \$22,532 and may be called by the investment manager at any time (see Note 8).

Note 16 – Expenses by Natural and Functional Classification

Expenses by natural and functional classification for the year ended May 31, 2025, were as follows:

	Program Activities		Supporting Activities			Total Expense
	Academic Instruction & Support	Student Services & Auxiliaries	Administrative Support	Fundraising	Facilities Operation & Maintenance	
Salaries, wages, and benefits	\$ 102,601	\$ 45,822	\$ 25,087	\$ 3,670	\$ 11,232	\$ 188,412
Professional fees and contracted services	13,276	15,183	2,541	228	455	31,683
Occupancy, utilities, and maintenance	6,787	3,955	3,591	196	9,123	23,652
Depreciation and amortization	7,572	9,571	1,992	11	284	19,430
Meetings, travel, and memberships	3,761	9,480	2,098	584	35	15,958
Materials, supplies, printing, and postage	5,266	2,357	1,257	394	2,520	11,794
Interest	2,526	5,324	860	-	138	8,848
Other expenses	882	3,778	1,139	552	32	6,383
	142,671	95,470	38,565	5,635	23,819	306,160
Facilities operation and maintenance	9,399	11,764	2,352	304	(23,819)	-
Total operating expenses	<u>\$ 152,070</u>	<u>\$ 107,234</u>	<u>\$ 40,917</u>	<u>\$ 5,939</u>	<u>\$ -</u>	<u>\$ 306,160</u>

Expenses by natural and functional classification for the year ended May 31, 2024, were as follows:

	Program Activities		Supporting Activities			Total Expense
	Academic Instruction & Support	Student Services & Auxiliaries	Administrative Support	Fundraising	Facilities Operation & Maintenance	
Salaries, wages, and benefits	\$ 96,828	\$ 43,399	\$ 24,187	\$ 3,807	\$ 11,127	\$ 179,348
Professional fees and contracted services	13,500	13,962	3,238	231	335	31,266
Occupancy, utilities, and maintenance	6,002	3,686	3,143	161	7,655	20,647
Depreciation and amortization	7,293	8,897	2,894	-	148	19,232
Meetings, travel, and memberships	3,704	9,241	1,939	754	34	15,672
Materials, supplies, printing, and postage	5,454	2,653	1,135	439	2,038	11,719
Interest	2,524	5,565	859	-	138	9,086
Other expenses	894	2,703	1,472	547	11	5,627
	136,199	90,106	38,867	5,939	21,486	292,597
Facilities operation and maintenance	8,208	9,868	3,069	341	(21,486)	-
Total operating expenses	<u>\$ 144,407</u>	<u>\$ 99,974</u>	<u>\$ 41,936</u>	<u>\$ 6,280</u>	<u>\$ -</u>	<u>\$ 292,597</u>

Gonzaga University
Notes to Consolidated Financial Statements
(In thousands)

Note 17 – Retirement Plans

Retirement benefits are provided to all employees (excluding students) working a minimum of 1,000 hours per year under a 403(b) defined-contribution plan (Plan). Beginning the first day of the month following one year of service, eligible employees are required to contribute 5% of their salary and the University contributes 8.5%. All contributions vest immediately and are subject to annual IRS limitations. The Plan is administered by TIAA and offers a variety of investment options from TIAA and other funds. The University's expense for the Plan was \$9,486 and \$8,934 for the years ended May 31, 2025 and 2024, respectively.

The University maintains two 457(b) supplemental deferred compensation plans funded by highly compensated employee pre-tax dollar contributions. The original plan was frozen to new participants on December 31, 2016. The second plan commenced on January 1, 2017. Voluntary employee contributions and accumulated earnings to the 457(b) plans of \$5,437 and \$4,982 as of May 31, 2025 and 2024, respectively, are included in long-term investments and accrued benefits payable. By IRS regulations, these funds are considered to be assets of the University until distributed to participants.

The University maintains a 457(f) non-qualified deferred compensation plan funded by the University. The purpose of the plan is to permit certain employees selected by the Board of Trustees to accumulate deferred compensation. The plan covers employees who are among a select group of management or highly compensated employees. All amounts previously deferred and vested were distributed to participants in January 2024. The University's expense for the plan was \$0 and \$208 for the years ended May 31, 2025 and 2024, respectively. As of May 31, 2025 and 2024, there were no accrued liabilities or plan-related investments recorded in the University's financial statements.

Note 18 – Commitments and Contingencies

Commitments – The University has obtained or has plans to obtain the necessary funding for the acquisition, construction, renovation, and furnishing of certain facilities that will be capitalized in the applicable capital asset categories upon completion. Management estimates that the University has sufficient resources available and/or future resources identified to satisfactorily complete the construction of such projects, which are expected to be completed in varying phases over the next one or two years, at an estimated unexpended cost of \$7,321. Of the unexpended balance, the University has remaining commitment balances of \$7,321 with certain engineering firms, construction contractors, and vendors related to these projects. Retainages payable on these capitalized projects as of May 31, 2025, was \$0.

Gonzaga University has an agreement with the University of Washington, an institution of higher education and an agency of the state of Washington, School of Medicine to provide faculty, student support services, and facilities for the University of Washington School of Medicine – Gonzaga University Health Partnership. The program expands the University of Washington's Washington, Wyoming, Alaska, Montana, and Idaho medical education program in Spokane, with an emphasis in meeting the needs of rural and medically underserved communities in eastern Washington. The agreement is effective until June 30, 2034, with automatic renewals for two-year terms thereafter, unless the parties terminate the agreement via written mutual agreement or written notice of termination, by either party, 24 months in advance.

Gonzaga University
Notes to Consolidated Financial Statements
(In thousands)

Contingencies – From time to time, the University is subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the results of these matters will not have a significant impact on the consolidated financial statements.

The University receives and expends monies under federal grant programs and is subject to audits by governmental agencies. The University believes that any liabilities resulting from such audits would not have a material impact on the consolidated financial statements of the University.

The University's grant funding is subject to various risks, including changes in government policy and executive orders issued by federal, state, or local authorities. These policies and executive orders may result in additional modifications, delays, or cancellations of grant funding programs that could adversely impact the University's ability to fulfill its commitments under existing grants. Additionally, the regulatory environment surrounding intercollegiate athletics, with respect to student-athlete compensation for Name, Image, and Likeness (NIL) rights continues to evolve. Recent federal actions and related regulatory initiatives may change the University's responsibilities or funding associated with NIL activities. The University continues to monitor developments in NIL regulations and has implemented policies and procedures to mitigate these risks.

The University has assessed these risks and believes that any potential impact from such executive orders and policies related to grants and NIL is uncertain. The ultimate effect on the University's financial position and results of operations will depend on future governmental actions and the timing of their implementation. The University will continue to monitor developments related to these executive orders and policy changes and will take appropriate actions as necessary.

Note 19 – Related-Parties

Unsecured contributions receivable and contributions revenue includes amounts from the Board of Trustees as listed below at May 31:

	<u>2025</u>	<u>2024</u>
Contributions receivable	\$ 22,446	\$ 21,750
Contributions revenue	3,480	552

Mission Statement

Gonzaga University is an exemplary learning community that educates students for lives of leadership and service for the common good.

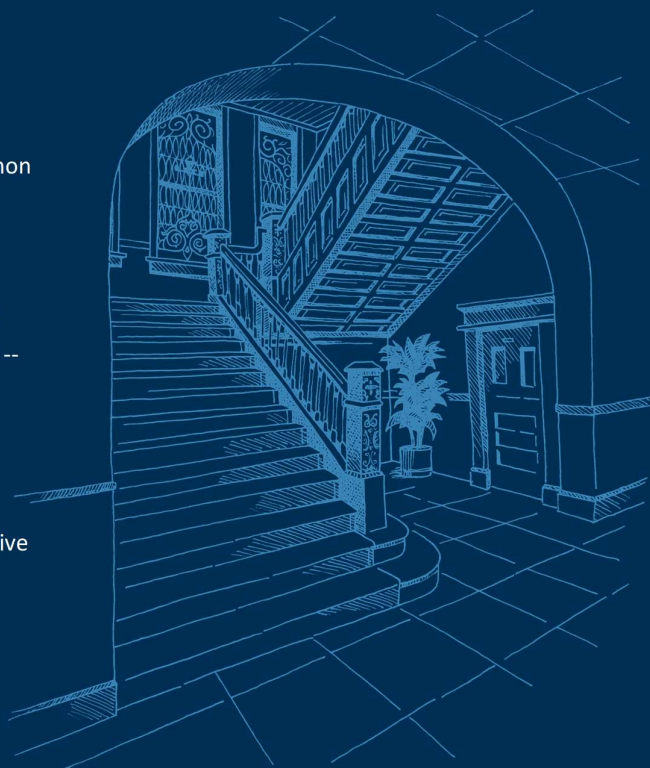
In keeping with its Catholic, Jesuit, and humanistic heritage and identity, Gonzaga models and expects excellence in academic and professional pursuits and intentionally develops the whole person -- intellectually, spiritually, culturally, physically, and emotionally.

Through engagement with knowledge, wisdom, and questions informed by classical and contemporary perspectives, Gonzaga cultivates in its students the capacities and dispositions for reflective and critical thought, lifelong learning, spiritual growth, ethical discernment, creativity, and innovation.

The Gonzaga experience fosters a mature commitment to dignity of the human person, social justice, diversity, intercultural competence, global engagement, solidarity with the poor and vulnerable, and care for the planet. Grateful to God, the Gonzaga community carries out this mission with responsible stewardship of our physical, financial, and human resources.

Vision Statement

Gonzaga is a premier liberal arts-based University recognized nationally for providing an exemplary Jesuit education that empowers its graduates to lead, shape, and serve their chosen fields and the communities to which they belong.



502 E Boone Ave, Spokane, WA 99258



APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS

INTRODUCTION

The following is a summary of certain provisions of the Indenture and the Loan Agreement which are not described elsewhere in this Official Statement. These summaries do not purport to be comprehensive and reference should be made to each of said documents for a full and complete statement of their provisions.

DEFINITIONS OF CERTAIN TERMS

Unless the context otherwise requires, and except as otherwise provided herein, for the purposes of this Official Statement, including this Appendix C, the following terms shall have the meanings set forth below. All capitalized terms not defined herein or elsewhere in this Official Statement have the meanings set forth in the Indenture.

“Acceleration Date” means the date specified in a Declaration of Acceleration pursuant to the Indenture.

“Account” means any one or more of the separate special trust accounts created by the Indenture, and shall include any subaccount or subaccounts included in such account.

“Act” means Laws of 1983, Ch. 169, codified at chapter 28B.07 RCW, as amended.

“Act of Bankruptcy” means notice to the Trustee of the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the University, under any applicable bankruptcy, insolvency or similar law now or hereafter in effect.

“Additional Bonds” means any debt of the University issued under the Indenture on parity with the Bonds and payable from the Trust Estate created under the Indenture.

“Audited Consolidated Financial Statements” means the University’s annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants.

“Authority” means the Washington Higher Education Facilities Authority, a public body corporate and politic and an agency of the State, the issuer of the Bonds under the Indenture, and its successors and assigns.

“Authority Fee” means, for the period from June 30, 2025 through June 30, 2029, 0.03% per annum of the outstanding principal amount of the Bonds and thereafter, 0.06% per annum of the outstanding principal amount of the Bonds on July 1 (after taking into account any principal payment made or to be made on such July 1) or such lesser amount as may be determined by the Authority from time to time, payable in annual installments on each July 1 in advance; provided, that the first payment (for accrual to the next annual payment date for the Bonds) shall be made at the Bond Closing.

“Authority Tax Certificate” means the Non-Arbitrage Certificate dated as of the Bond Closing executed by the Authority and acknowledged by the University and the exhibits thereto.

“Authorized Denomination” means \$5,000 or any integral multiple thereof within a maturity.

“Bond Closing” means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase price of the Bonds by the Underwriter.

“Bond Counsel” means an attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, who is or are selected by the Authority and is or are duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond Register” means the registration books required to be maintained pursuant to the Indenture.

“Bond Registrar” means the party so appointed pursuant to the Indenture.

“Bondowner” or “Owner” or “Registered Owner” means the person or persons in whose name or names a Bond shall be registered on the Bond Register.

“Bonds” means one or more of the Revenue and Refunding Revenue Bonds (Gonzaga University Project), Series 2026 of the Authority issued pursuant to the terms of the Indenture.

“Business Day” means any day other than (i) a Saturday or a Sunday, or (ii) a day on which commercial banks in the city (or cities) in which are located the Principal Office(s) of the Trustee, Bond Registrar or any other Paying Agent are authorized or required by law or executive order to close.

“Business Loan Agreement” means the Business Loan Agreement from Washington Trust Bank to the University evidencing the University’s obligations with respect to a line of credit in the amount of not to exceed \$10,000,000.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Computation Date” means each Installment Computation Date and the Final Computation Date.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the University and U.S. Bank Trust Company, National Association, as dissemination agent, dated as of the date of Bond Closing, as such agreement may be amended from time to time.

“Core Campus” means the real property described in the map attached as Exhibit B to the Loan Agreement, except the following buildings and associated real property: (a) Buildings DEL; (b) new buildings constructed on currently unimproved land, or on land currently undeveloped or being used for other purposes; and (c) real property described on the map that is not presently owned by the University including Buildings BW, HPB, SAL, SAR, including all other real property south of Spokane Falls Boulevard.

“Cost of Issuance Fund” means such Fund created by the Indenture and the Accounts therein.

“Counsel” means an attorney at law or a firm of attorneys (who may be an employee of or counsel to the Authority, the University or the Trustee) duly admitted to the practice of law before the highest court of any state of the United States of America or of the District of Columbia.

“Debt Service Fund” means such Fund created by the Indenture.

“Declaration of Acceleration” means the written notice of the acceleration of the principal of the Bonds and the interest accrued thereon, given by the Trustee as provided in the Indenture.

“Default” or “Event of Default” means an occurrence or event specified in and defined by the Indenture.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the University files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) the delivery of written notice to the Authority, the Trustee and the University by a Bondowner or any former Bondowner declaring that an Event of Taxability has occurred on a specified date, and describing the Event of Taxability, such notice to become effective 30 days after the giving of the same unless prior thereto the University shall have delivered to the Trustee and any such Bondowner or former Bondowner, at the sole cost and expense of the University, an opinion from a nationally recognized bond counsel to the effect that interest on the Bonds is excluded from gross income for federal income tax purposes; or

(iii) on that date when the University shall receive notice from a Bondowner or any former Bondowner that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondowner or such former Bondowner the interest on the Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (ii) or (iii) hereunder unless the University has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however,* that upon demand from a Bondowner or former Bondowner, the Authority shall promptly reimburse, but solely from payments made by the University, such Bondowner or former Bondowner for any payments, including any taxes, interest, penalties or other charges, such Bondowner (or former Bondowner) shall be obligated to make as a result of the Determination of Taxability.

“DTC” means The Depository Trust Company, New York, New York.

“Environmental Laws” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to Hazardous Materials to which the University or any property owned by the University is subject.

“Event of Taxability” means a (i) change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the University, or the failure to take any action by the University, or the making by the

University of any misrepresentation in the Indenture or in any certificate required to be given in connection with the issuance, sale or delivery of the Bonds) which has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of a Bondowner or any former Bondowner for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of a Bondowner or any former Bondowner for federal income tax purposes with respect to the Bonds.

“Fair Market Value” means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm’s-length transaction, except for specified investments as described in Treasury Regulation §1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

“FDIC” means the Federal Deposit Insurance Corporation.

“Fiscal Year” means the fiscal year of the University, initially the period from June 1 through May 31 of each year.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the University by notice to the Trustee.

“Fund” means any one or more of the separate special trust funds created by the Indenture.

“GAAP” means the generally accepted accounting principles applicable to colleges and universities.

“Government Obligations” means noncallable, direct, general obligations of the United States of America (including the obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or any obligations unconditionally guaranteed as to the full and timely payment of principal and interest by the full faith and credit of the United States of America. Obligations guaranteed as to payment of interest only are Government Obligations only with respect to such interest payments.

“Hazardous Materials” means dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances (as defined in Environmental Laws), and also any urea formaldehyde, polychlorinated biphenyls, asbestos, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant the improper storage, disposal or release of which would subject the person so storing, disposing or releasing (or the owner of the property on which such action occurs) to any damages, penalties or liabilities under any applicable law, regulation, requirement or rule.

“Holdback Account” means the Account of such name created within the Project Fund in the Indenture.

“Indebtedness” means any obligation of the University for the payment of money to any Person, including without limitation (i) indebtedness for money borrowed, (ii) purchase money obligations, (iii) leases evidencing the acquisition of capital assets, (iv) reimbursement obligations, provided, however, that reimbursement obligations supporting credit or liquidity facilities shall not constitute Indebtedness until such time as a reimbursement payment becomes due and payable under the agreement entered into in connection with such reimbursement obligations, and (v) guarantees, but excluding (a) obligations under contracts for supplies, services and pensions allocable to current operating expenses during the current or future Fiscal Years in which the supplies are to be delivered, the services rendered, or the pensions paid, (b) rentals payable in the current or future Fiscal Years under leases not intended to evidence the acquisition of capital assets and not required to be included under GAAP, and (c) bonds or other indebtedness which have been legally defeased in accordance with their authorizing documents or are payable from any separate foundation.

“Indenture Act” means the Trust Indenture Act of 1939 (Act of August 3, 1939, 53 Stat. 1149, 15 U.S.C., Secs. 77aaa-77bbb), as amended.

“Intercreditor and Collateral Agency Agreement” means the Eighth Amended and Restated Intercreditor and Collateral Agency Agreement dated as of Bond Closing, as such agreement may be amended from time to time.

“Interest Payment Date” means (a) April 1 and October 1 of each year, commencing April 1, 2026 with respect to the Bonds, or (b) any other day upon which interest and/or principal on the Bonds is due and payable, whether by maturity, acceleration, prior redemption or otherwise.

“Issuance Costs” means all costs and expenses of issuance of the Bonds, including, but not limited to:

- (a) underwriter’s discount or fee;
- (b) counsel fees and expenses, including bond counsel, underwriter’s counsel, Authority’s counsel, University’s counsel, disclosure counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds;
- (c) financial advisor fees and expenses incurred in connection with the issuance of the Bonds;
- (d) initial fees and expenses of the Trustee, including Trustee counsel fees and expenses, in connection with the issuance of the Bonds;
- (e) costs of printing the Preliminary Official Statement and the Official Statement for the Bonds;
- (f) publication or copying costs associated with the financing proceedings relating to the Bonds;
- (g) initial fees and expenses, if any, of the Authority and Rating Agency relating to the Bonds; and
- (h) fees and expenses incurred in connection with the refunding of the Refunded Bonds, including fees of any verification agent, dealer manager, escrow agent, tender and information

agent, and other costs associated with any redemption of or tender offer incurred in connection with the issuance of the Bonds.

“Letter of Representations” means the Blanket Issuer Letter of Representations, signed by the Authority and accepted by DTC with respect to the immobilization of Authority bonds, including the Bonds.

“Loan” means the loan by the Authority to the University pursuant to the Loan Agreement in the principal amount of \$50,000,000*, plus interest thereon.

“Loan Agreement” means the Loan Agreement among the Authority, the Trustee and the University dated as of February 1, 2026, as it may be supplemented or amended from time to time.

“Loan Documents” means the Loan Agreement, the Tax Certificates, the Purchase Contract, the Continuing Disclosure Agreement, and the Note.

“Moody’s” means Moody’s Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the University by notice to the Trustee.

“Note” means the promissory note executed by the University in favor of the Authority and assigned to the Trustee in connection with the issuance of the Bonds.

“Outstanding” or “Bonds Outstanding,” in connection with the Bonds means, as of the time in question, all Bonds authenticated and delivered under the Indenture, except:

- (a) Bonds theretofore cancelled or required to be cancelled under the Indenture;
- (b) Bonds which are deemed to have been paid in accordance with the Indenture; and
- (c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to the Indenture.

In determining whether the Registered Owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds which are known by the Trustee to be owned by the University, the Authority, or any other obligor on the Bonds, or any affiliate of any one of said entities (for the purpose of this definition, an “affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person) shall be disregarded and deemed not to be Outstanding under the Indenture for the purpose of any such determination. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing. Bonds (in certificated form) so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee shall establish to the satisfaction of the Trustee the pledgee’s right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the

* Preliminary; subject to change.

University, the Authority, or any other obligor on the Bonds, or any affiliate of the foregoing. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

“Paying Agent” means the Trustee, its successors and assigns, unless the Trustee shall designate another entity as Paying Agent, with the consent of the Authority.

“Permitted Investments” means any of the following, to the extent permitted by law for the money held under the Indenture then proposed to be invested therein:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- (1) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
- (2) Farmers Home Administration (FmHA)
Certificates of beneficial ownership
- (3) Federal Financing Bank
- (4) Federal Housing Administration Debentures (FHA)
- (5) General Services Administration
Participation certificates
- (6) Government National Mortgage Association (GNMA or “Ginnie Mae”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
- (7) U.S. Maritime Administration
Guaranteed Title XI financing
- (8) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- (1) Federal Home Loan Bank System
Senior debt obligations
- (2) Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)
Participation Certificates
Senior debt obligations
- (3) Federal National Mortgage Association (FNMA or “Fannie Mae”)
Mortgage-backed securities and senior debt obligations
- (4) Student Loan Marketing Association (SLMA or “Sallie Mae”)
Senior debt obligations
- (5) Resolution Funding Corp. (REFCORP) obligations
- (6) Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody’s rated Aaa, Aa1 or Aa2 (including funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other services).

(e) Interest-bearing negotiable certificates of deposit, interest-bearing time deposits, interest-bearing savings accounts or money market deposit accounts issued by or held in any commercial bank, savings and loan association or trust company (including the Trustee and any of their affiliates) whose unsecured short-term obligations are rated in Prime-1 or better by Moody’s or A-1 or better by S&P or interest-bearing negotiable certificates of deposit, interest-bearing time deposits, interest-bearing savings accounts or money market deposit accounts issued by or held in any commercial bank, savings and loan association or trust company (including the Trustee and any of their affiliates) which are fully insured by FDIC or collateralized pursuant to the Office of the Comptroller of Currency requirements.

(f) Investment agreements, including guaranteed investment contracts and forward purchase agreements, for securities otherwise described in this definition.

(g) Commercial paper rated, at the time of purchase, “Prime - 1” by Moody’s and “A-1” or better by S&P.

(h) Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest rating categories assigned by such agencies.

(i) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime - 1” or “A3” or better by Moody’s and “A-1” or “A” or better by S&P.

- (j) Repurchase Agreements for 30 days or less that satisfy the following criteria.

Repurchase agreements must provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to an entity (buyer/lender), and the transfer of cash from the entity to the dealer bank or securities firm with an

agreement that the dealer bank or securities firm will repay the cash plus a yield to the entity in exchange for the securities at a specified date.

- (i) Repos must be between the entity and a dealer bank or securities firm:
 - a. Primary dealers on the Federal Reserve reporting dealer list which are rated “A” or better by S&P and “A3” or better by Moody’s, or
 - b. Banks rated “A” or above by S&P and “A3” or above by Moody’s.
- (ii) The written repo contract must include the following:
 - a. Securities which are acceptable for transfer are:
 - (1) Direct U.S. governments, or
 - (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC).
 - b. The collateral must be delivered to the entity, Trustee (if Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
 - d. Valuation of Collateral:
 - (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest, and
 - (2) The value of collateral must be equal to 104% of the amount of cash transferred by the entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral decreases below 104% of the value of the cash transferred by the entity, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

“Person” means any natural person, firm, partnership, association, corporation, limited liability company, trust or public body.

“Pledged Revenues” means Unrestricted Gross Revenues to the extent pledged by the University under the Loan Agreement to the payment of amounts owed under the Loan and the Loan Agreement.

“Principal Office” means (i) when used with respect to the Trustee, the agency office of the Trustee located in Seattle, Washington, at the address shown in the Indenture, provided that, with respect to the Bond Registrar and payments on the Bonds and any exchange, transfer or surrender of the Bonds,

means c/o U.S. Bank Trust Company National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107 or such other or additional offices as may be specified to the Authority and the University with respect to either the Trustee or Bond Registrar; and (ii) when used with respect to any Paying Agent, means the office of such Paying Agent as designated by notice given by the Trustee to the Bondowners.

“Project” means, collectively, (i) the planning, design, construction, installation, acquisition and equipping of facilities located on the University’s campus, as further described in Exhibit A to the Loan Agreement; (ii) refunding of certain outstanding obligations issued to finance and refinance University facilities; and (iii) paying certain expenses incurred in connection with the issuance of the Bonds.

“Project Account” means such Account created in the Project Fund in the Indenture.

“Project Costs” means, to the extent authorized by the Code and the Act, any and all costs, including financing costs, incurred by the University with respect to the acquisition, design, construction, renovation, improvement, furnishing, equipping and refinancing (provided that refinancing is owed to persons who are not related to the University within the meaning of Section 144(a)(3) of the Code), as the case may be, of the Project Facilities, including, without limitation, any bond insurance premium, costs for site preparation, the planning of facilities and improvements, the acquisition of real property, interests in real property and tangible personal property, the removal or demolition of existing structures, acquisition, refinancing, rehabilitation or construction of housing and other facilities and improvements, and all other work in connection therewith, and all costs of Bond financing, including, without limitation, the cost of consulting, accounting and legal services, payment of principal of and interest on a construction loan, other expenses necessary or incident to determining the feasibility of the Project, contractors’ and University’s overhead and supervisors’ fees and costs directly allocable to the Project, insurance premiums, costs of surveys and appraisals, administrative and other expenses necessary or incident to the development and the financing thereof (including reimbursement, if any, to any municipality, county or entity for expenditures made, with the approval of the Authority, for the Project), and all other costs approved by Bond Counsel, but excluding in all cases Issuance Costs.

“Project Facilities” means the facilities which are identified in Exhibit A to the Loan Agreement and which are to be financed and refinanced from the proceeds of the Bonds.

“Project Fund” means such Fund created by the Indenture and the Accounts contained therein.

“Purchase Contract” means the Bond Purchase Contract, dated January 22, 2026* among the Authority, the University and the Underwriter.

“Rating Agency” means Moody’s, S&P and/or Fitch.

“Rating Agency Surveillance Fee” means the annual fee, if any, of the Rating Agency to maintain a rating on any of the Bonds.

“Rebate Amount” means the amount, if any, determined to be payable with respect to the Bonds by the Authority to the United States of America pursuant to Section 148 of the Code, calculated in accordance with the Tax Certificates.

“Rebate Fund” means the Fund of that name, if any, established pursuant to the Indenture.

* Preliminary; subject to change.

“Record Date” means, except for payment of defaulted interest, the opening of business on the fifteenth day of the month preceding a scheduled Interest Payment Date. With respect to any payment of defaulted interest, a Special Record Date shall be established by the Trustee in accordance with the provisions of the Indenture.

“Refunded Bonds” means those certain 2013B Bonds and 2016A Bonds as shown in Exhibit C to the Indenture.

“Refunding Account” means such Account created in the Project Fund by the Indenture.

“Registered Owner” or “Bondowner” or “Owner” means the person or persons in whose name or names a Bond shall be registered on the Bond Register.

“Regulations” means the applicable proposed, temporary or final Income Tax Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Resolution” means Resolution No. 25-01, duly adopted and approved by the Authority on December 15, 2025, authorizing the issuance and sale of the Bonds and the execution of the Indenture.

“Revenues” means the amounts pledged under the Indenture to the payment of the principal of, redemption premium, if any, and interest on the Bonds, including the following: (a) money held in the Funds and Accounts (excluding the Cost of Issuance Fund and the Rebate Fund), together with investment earnings thereon received by the Trustee which the Trustee is authorized to receive, hold and apply pursuant to the terms of the Indenture; and (b) all income, revenues, proceeds, obligations, securities and other amounts received by the Trustee and derived from or in connection with the Loan or the Loan Documents, but excluding amounts payable as the Authority Fee, the Rating Agency Surveillance Fee, the Trustee Fee, the Rebate Amount or the fee for the calculation of the Rebate Amount and the indemnification or reimbursement of the Authority and the Trustee.

“S&P” means S&P Global Ratings and its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized rating agency or agencies designated by the University by notice to the Trustee.

“Security Agreement” means the Eighth Amended and Restated Security Agreement dated as of the Bond Closing, as such agreement may be amended from time to time.

“Special Record Date” means, with respect to the payment of any defaulted interest on the Bonds, a date fixed by the Trustee pursuant the Indenture.

“State” means the state of Washington.

“Supplemental Indenture” means any agreement hereafter authorized and entered into between the Authority and the Trustee which amends, modifies or supplements and forms a part of the Indenture.

“Tax Certificates” means the University Tax Certificate and Authority Tax Certificate.

“Trust Estate” means:

(1) All right, title and interest of the Authority in, to and under the Loan and the Loan Documents, including all extensions and renewals of the terms thereof, if any, except the

Authority's rights retained under any of said documents (including, but not limited to, fees, indemnifications, reports and notices), including but without limiting the generality of the foregoing, the security interest in the Pledged Revenues under the Loan Agreement, the present and continuing right to receive, receipt for, collect or make claim for any of the Revenues, whether payable under the above referenced documents, or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things which the Authority or any other person on behalf of the Authority is or may become entitled to do under the Loan, the Intercreditor and Collateral Agency Agreement and the above referenced Loan Documents;

(2) All Revenues which may from time to time hereafter be conveyed, assigned, hypothecated, endorsed, pledged, mortgaged, granted or delivered to the Trustee, or held by the Trustee in any Fund or Account established pursuant to the terms of the Indenture, together with investment earnings thereon, but excluding (a) money held by the Trustee in the Cost of Issuance Fund and the Rebate Fund and (b) money collected pursuant to reimbursement or indemnification of the Authority and the Trustee; and

(3) Any and all other property of any name and nature from time to time hereafter by delivery or by writing of any kind pledged or assigned as and for additional security under the Indenture, by the Authority or by anyone on its behalf or with its written consent, to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

"Trustee" means U.S. Bank Trust Company, National Association, or any successor trustee or co-trustee appointed in accordance with the terms of the Indenture.

"Trustee Fee" means, with respect to the Bonds, an amount payable on an annual basis on each February 1 in advance (except that the first payment accrued through the next annual payment date shall be made on Bond Closing) in accordance with the letter agreement between the Trustee and the University as amended from time to time, with respect to the payment of all fees and expenses.

"Underwriter" means Morgan Stanley & Co. LLC as the initial purchaser of the Bonds.

"University" means The Corporation of Gonzaga University, a Washington nonprofit corporation and an organization described under Section 501(c)(3) of the Code, and its successors and assigns.

"University Representative" means the person or persons at the time designated by the University to act on behalf of the University by written certificate furnished to the Authority and the Trustee containing the specimen signature(s) of such person or persons.

"University Tax Certificate" means the Tax Certificate of the Borrower executed by the University dated the Bond Closing.

"Unrestricted Gross Revenues" means all moneys, fees and tuition (net of institutional financial aid and other discounts or waivers), rates, receipts, rentals, licensing fees, charges, issues and income received or derived by the University, the operation of the University, or its facilities or any other source whatsoever, as reported on the University's Audited Consolidated Financial Statements of activities, including, without limitation, gifts, bequests, grants, devises, contributions, moneys received from the operation of the University's business or the possession of its properties, insurance proceeds or condemnation awards, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of the same whether now owned or held or hereafter coming into being, but excluding gifts, grants, devises, bequests and contributions designated by

the maker to a specific purpose inconsistent with their use for payment of principal of, premium, if any, and interest on Indebtedness or for the payment of operating expenses of the University and further excluding any gifts, grants, devises, bequests or contributions received by any foundation or other legal entity created by but separate from the University. Unrestricted Gross Revenues shall exclude revenues from facilities constructed or acquired after October 1, 2009, which revenues are pledged to obligations (other than bonds or Indebtedness having a parity lien on the Unrestricted Gross Revenues with the University's obligations under the Loan Agreement and/or the Bonds) incurred to finance such new facilities.

“U.S. Bank Credit Agreement” means the Credit Agreement dated December 1, 2013 between the University and U.S. Bank National Association, as lender.

“2013B Bonds” means the Authority's Taxable Revenue Bonds (Gonzaga University Project), Series 2013B, a portion of which will be refunded with proceeds of the Bonds. After the refunding of the 2013B Bonds provided for herein, the 2013B Bonds will remain outstanding and be subject to sinking fund payments as provided in Exhibit D to the Indenture.

“2016A Bonds” means The Corporation of Gonzaga University Revenue and Refunding Taxable Bonds, Series 2016A, a portion of which will be refunded with proceeds of the Bonds through a tender offer for purchase. After the refunding of the 2016A Bonds provided for herein, the 2016A Bonds will remain outstanding and be subject to sinking fund payments as provided in Exhibit D to the Indenture.

“2019 Bonds” mean the 2019A Bonds and the 2019B Bonds.

“2019A Bonds” mean the Authority's Revenue Bonds (Gonzaga University Project), Series 2019A.

“2019B Bonds” mean the Authority's Taxable Refunding and Revenue Bonds (Gonzaga University Project), Series 2019B.

“2022 Bonds” mean the Revenue Bonds (Gonzaga University Project), Series 2022 of the Authority.

“2023 Bonds” mean the Refunding Revenue Bonds (Gonzaga University Project), Series 2023 (Forward Delivery) of the Authority.

THE INDENTURE

General

The Bonds are issued under and secured by the Indenture. The Indenture is a contract between the Authority and the Trustee, setting forth terms upon which the Bonds are to be issued, paid and secured. The following is a summary of certain provisions of the Indenture which are not described elsewhere in this Official Statement. This summary does not purport to be comprehensive or definitive, and reference is hereby made to the full text of the Indenture for the complete details thereof.

Funds and Accounts Established Under the Indenture

The following Funds and Accounts of the Authority are created and established with the Trustee:

- (1) the Project Fund, and within such fund the Project Account, the Refunding Account, and the Holdback Account;
- (2) the Cost of Issuance Fund; and
- (3) the Debt Service Fund.

Each Fund and Account is to be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed, and administered as provided in the Indenture. All money deposited in the Funds and Accounts is to be used solely for the purposes set forth in the Indenture. The Trustee is to keep and maintain adequate records pertaining to each Fund and Account, and all disbursements therefrom.

The Trustee is entitled to establish other trust funds and accounts, including but not limited to a Rebate Fund, as the Trustee deems necessary in order to properly administer the Trust Estate.

Project Fund

Project Account. Amounts in the Project Account are to be held by the Trustee in trust and to be applied or disbursed in accordance with the Indenture and the Loan Agreement; provided, that the Trustee may conclusively rely upon any Funding Requisition, in the form set forth as Exhibit C to the Loan Agreement, without independent investigation or inquiry into the purposes for which such Funding Requisition is made and each payment from the Project Account pursuant to a Funding Requisition shall be presumed properly made.

Amounts, if any, remaining in the Project Account on December 15, 2028, are to be transferred to the Debt Service Fund on or before February 1, 2029 (unless those dates are extended pursuant to the Loan Agreement) and used to redeem the Bonds in accordance with the Indenture. Unless there has been an extension of the prepayment date as provided in the Loan Agreement, no Funding Requisition for the Bonds is to be honored after December 15, 2028.

Refunding Account. On Bond Closing, the amounts set forth in Exhibit B to the Indenture are to be deposited with and disbursed, without the necessity of a Funding Requisition, to U.S. Bank National Association, as the bond trustee for the Refunded Bonds, to pay the make-whole redemption price with respect to the 2013B Bonds to be refunded (as shown in Exhibit C to the Indenture) and to pay the purchase price with respect to the 2016A Bonds tendered for purchase on February 5, 2026*. After such disbursements the Trustee is to close the Refunding Account.

Holdback Account. Notwithstanding the foregoing, an amount approximately equal to 2.5% of the amount deposited into the Project Account after any reimbursement and the initial funding requisition completed at Bond Closing is to be retained in the Holdback Account of the Project Fund until receipt of confirmation from the Authority that, based solely on the information provided by the Trustee with respect to the dates on which Bond proceeds have been disbursed, a spending exception from arbitrage rebate has been met with respect to the proceeds of the Bonds used to finance capital projects. Following such confirmation, amounts in the Holdback Account are to be transferred to the Project Account and

* Preliminary; subject to change.

may be requisitioned and disbursed as set forth in this section. If a spending exception from arbitrage rebate cannot be met, upon direction from the Authority, the Trustee is to transfer the amount necessary to pay any Rebate Amount from the Holdback Account to the Rebate Fund. Any excess funds on deposit in the Holdback Account are to thereafter be transferred to the Project Account and may be requisitioned and disbursed as set forth in the Indenture. All earnings on the Holdback Account are to be transferred to and retained in the Project Account. Following the disbursement of all amounts in the Holdback Account, such Holdback Account is to be closed.

Upon completion of such disbursements, the Trustee is to close the Project Fund and the Accounts therein.

Cost of Issuance Fund

Money on deposit in the Cost of Issuance Fund is to be applied to pay Issuance Costs set forth in the closing memorandum prepared by the Underwriter in connection with the issuance of the Bonds and approved by the Authority and the University, or as otherwise approved in writing by the Authority.

Any money remaining in the Cost of Issuance Fund on the 180th day following Bond Closing are to be transferred to the Project Account and the Cost of Issuance Fund is to be closed; provided that any proper requests for payments of additional fees and costs incurred in connection with the issuance of the Bonds received after the 180th day following Bond Closing are to be immediately paid for by the University.

Money in the Cost of Issuance Fund is to be invested only in Permitted Investments that mature or permit such money to be otherwise available at such time or times as said money is needed to pay Issuance Costs.

Debt Service Fund

The Trustee is to deposit into the Debt Service Fund (i) money, if any, representing accrued interest at the Bond Closing; (ii) money received with respect to principal and interest from the University under the Note including amounts on deposit with the Trustee pursuant to the Loan Agreement or the Indenture; (iii) investment earnings on the money therein; and (iv) any other Revenues collected by the Trustee and available to pay principal of or interest on the Bonds, including amounts transferred from the Cost of Issuance Fund, in an amount sufficient to pay the principal of, and premium, if any, and interest becoming due and payable on the Bonds on the next Interest Payment Date, at scheduled maturity, upon acceleration, or by prior redemption.

Money on deposit in the Debt Service Fund is to be applied to pay the principal of, premium, if any, and interest on the Bonds as the same becomes due and payable.

On each scheduled Interest Payment Date on the Bonds, the Trustee is to remit or cause to be remitted to the Bondowner as of the Record Date for such interest payment, an amount from the Debt Service Fund sufficient to pay the interest on the Bonds becoming due and payable on such date.

On each date on which any principal or premium becomes payable on the Bonds, the Trustee is to remit or cause to be remitted in accordance with the Indenture to the Bondowner as of the Record Date for such principal or premium payment, an amount from the Debt Service Fund sufficient to pay the amount of principal of and premium, if any, on the Bonds becoming due and payable on such date.

Rebate Fund

If the Trustee receives amounts determined in accordance with the Tax Certificates, the Trustee is to establish a Rebate Fund and deposit such amounts therein. The Trustee is to withdraw such amounts to pay the Rebate Amount required to be paid to the United States of America in accordance with the written direction of the University.

Investment of Money

Money in all Funds and Accounts, except as provided with respect to the Cost of Issuance Fund, unrepresented Bonds, and defeased Bonds, is to be continuously invested and reinvested by the Trustee, at the written direction of the University, as practicable, until such time or times as said money is needed for the purposes for which it was deposited. In the absence of such written direction, money is to be held by the Trustee uninvested. Money on deposit in all Funds and Accounts may be invested only in Permitted Investments as further provided in the Indenture.

Except as otherwise provided in the Indenture, investments are to constitute a part of the Fund or Account from which the money used to acquire such investments have come. Subject to the restrictions set forth in the Indenture, all capital gains, profits, and interest earnings resulting from the investment of money in all Funds, including any Accounts thereof, are to be deposited into, and any loss of principal value resulting from the investment of money in any Fund or Account and any expenses incurred in making or disposing of investments are to be charged, when incurred, to the Fund or Account from which such investments were made.

Additional Bonds; Additional Indebtedness

Without the consent of or notice to the Bondowners, the Authority may issue additional bonds (“Additional Bonds”) having a parity of lien on the Trust Estate at the request of the University with prior written confirmation from the Rating Agency that the rating on the Bonds will not be reduced or withdrawn solely as a result of the issuance of any such Additional Bonds. If Additional Bonds are so issued, all references in the Indenture to the Bonds will be deemed to refer to the Bonds and any Additional Bonds. Nothing in the Indenture precludes the Authority from issuing additional bonds having a subordinate lien on the Trust Estate or separately secured under a different indenture regardless of effect of such issuance on the ratings of the Bonds.

Covenants of the Authority

The Authority has covenanted to: promptly pay or cause to be paid the principal of and the interest on the Bonds when due, but is required to make such payment or cause such payment to be made only out of Revenues; to faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Loan Documents; to diligently enforce all covenants, undertakings, and obligations of the University under the Loan Documents; and to faithfully observe and perform all the covenants, conditions, and requirements of the Indenture.

The Authority has covenanted not to enter into any contract or take any action by which the rights of the Trustee or the Bondowners may be impaired; not to directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any interest thereon; not to knowingly permit the creation of, any pledge, lien, charge, or other encumbrance upon the Trust Estate or the Loan Documents while any of the Bonds are Outstanding, except as permitted under the Loan Documents and in the Intercreditor and Collateral Agency Agreement and the pledge and assignment created by the Indenture; not to take any action, or permit any action to be taken by others within their

control, and not to knowingly omit to take any action, which action or omission might release the University from its liabilities or obligations under the Loan Documents or result in the surrender, termination, amendment, or modification of, or impair the validity of, such documents; and not to suffer or permit any default to occur under the Indenture or do or permit to be done anything that might in any way weaken, diminish, or impair the security intended to be given pursuant to the Indenture except as specifically permitted in the Indenture or in the Loan Agreement.

The Authority has covenanted: (a) not to use or knowingly permit the use of any proceeds of the Bonds or any other funds of the Authority, directly or indirectly, in any manner, and not to take or permit to be taken any other action or actions, which would result in any of the Bonds being treated as an obligation not described in Section 103(a) of the Code; (b) that money on deposit with the Trustee under the Indenture, whether such money was derived from the proceeds of the sale of the Bonds or from any other source, will not knowingly be used in a manner which will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and any regulations proposed or promulgated thereunder, as the same exist on this date, or may from time to time hereafter be amended, supplemented or revised; provided, however, that the Authority and the Trustee will rely upon certain certificates of the University as to arbitrage; (c) that the Authority will pay, or cause to be paid, from amounts provided by the University, the Rebate Amount, if any, to the United States of America at the times and in the amounts necessary to meet the requirements of the Code to maintain the federal income tax exemption for interest payments on the Bonds, in accordance with the Tax Certificates, the Trustee having no responsibility to independently make any calculation or determination or to review the Authority’s or Rebate Analyst’s calculations or determinations of the Rebate Amount; and (d) within 30 days after the end of every fifth bond year, and within 55 days after the date on which no Bonds are Outstanding, the University is to cause the Rebate Analyst to deliver to the Trustee and the Authority a certificate stating whether any rebate payment is required to be made, as set forth in the Tax Certificates, and the University is to deliver to the Trustee any amount so required to be paid. The Trustee is to provide notice to the University, with a copy to the Authority, 30 days prior to the due date of any such certificate that such certificate is due and is to provide notice to the Authority if such certificate is not received within 10 days after the due date.

Events of Default and Remedies

Events of Default. If any of the following events occurs, it is defined as and declared to be and to constitute a Default and an Event of Default:

- (a) Failure to make payment of interest upon any Bond when the same shall have become due and payable;
- (b) Failure to make due and punctual payment of the principal of or premium, if any, on any Bond, whether at the stated maturity thereof, upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Any material representation or warranty made by the Authority in the Indenture or the Bonds is determined by the Trustee to have been untrue when made or any failure by the Authority to observe and perform any covenant, condition, or agreement on its part to be observed and performed under the Indenture or the Bonds, other than as described in clauses (a) or (b) above, continues for a period of 60 days after written notice specifying such breach or failure and requesting that it be remedied, is given to the Authority and the Bondowners by the Trustee or to the Authority and the Trustee by the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding, unless (i) the Trustee agrees in writing to an extension of such time prior to its expiration or (ii) if the breach or failure be such

that it cannot be corrected within the applicable period, corrective action is instituted by the Authority within the applicable period and is being diligently pursued; and

(d) the occurrence of any Loan Agreement Default as defined in the Loan Agreement.

Acceleration of Maturity. If any Event of Default has occurred and is continuing, the Trustee is to give a Declaration of Acceleration and the principal of all Outstanding Bonds, and the interest accrued thereon, are to be subject to acceleration as follows:

(1) the Trustee, in its sole discretion, may declare the principal of all Outstanding Bonds and the interest accrued thereon to be due and payable immediately after the occurrence of any Event of Default; or

(2) the Trustee is required to declare the principal of all Outstanding Bonds and the interest accrued thereon to be due and payable immediately after the occurrence of any Event of Default described in (a), (b), or (d) above at the written request of the Owners of not less than 25% in aggregate principal amount of Outstanding Bonds, or after the occurrence of any Event of Default described in (c) above at the written request of the Owners of not less than 51% in aggregate principal amount of Outstanding Bonds.

Any such acceleration of the Bonds and the interest accrued thereon by the Trustee is to be made by giving to the Authority and the University a Declaration of Acceleration, which Declaration of Acceleration shall state that the principal of all Outstanding Bonds will become due and payable on the Acceleration Date (which date is not to be later than 30 days after the date of the Declaration of Acceleration), together with all interest accrued on such Outstanding Bonds to such Acceleration Date.

Any such acceleration of the Bonds is subject to the condition that if, at any time after such Declaration of Acceleration and before the Acceleration Date, the Authority or the University deposit with the Trustee a sum sufficient to pay all the overdue principal of and interest on the Bonds, with interest on such overdue principal at the rate(s) borne by the respective Bonds, and the reasonable charges and expenses of the Trustee (including those of its Counsel), and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds which become due and payable solely by reason of such declaration) have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then the Owners of not less than a majority in aggregate principal amount of Outstanding Bonds may rescind and annul such declaration and its consequences and waive such default on behalf of all the Owners; provided that no such rescission and annulment is to extend to or affect any subsequent default, or impair or exhaust any right or power consequent thereon.

Enforcement of Covenants and Conditions. Upon the occurrence of any Event of Default described in (c) above which has not been waived, the Trustee may take appropriate action, including the commencement and prosecution of appropriate legal or equitable proceedings, to compel the Authority to perform such obligations, which remedy (1) may be pursued by the Trustee in its discretion or (2) is required to be pursued upon the written request of the Owners of not less than a majority in aggregate principal amount of Outstanding Bonds.

Upon the occurrence of any Event of Default which has not been waived, and in addition to any other remedies available under the Indenture, the Trustee (1) may proceed in its discretion, or (2) upon the written request of the Owners of not less than a majority in aggregate principal amount of Outstanding Bonds is required to proceed, forthwith by suit(s) at law or in equity or by any other appropriate remedy

to enforce payment of the Bonds; to enforce application to such payment of the funds, revenues, and income appropriated thereto by the Indenture and by the Bonds; to enforce the assigned rights of the Authority under the Loan Agreement and the Note; to enforce the security interests granted in the Loan Agreement and the Note in accordance with the applicable laws of the State; to pursue all remedies of a secured creditor under the applicable laws of the State; and to enforce any such other appropriate legal or equitable remedy as the Trustee deems most effectual to protect and enforce any of its rights or any of the rights of the Owners of the Bonds.

Limitation on Rights and Remedies of Bondowners. No Bondowner will have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust of the Indenture or for the appointment of a receiver or any other remedy under the Indenture unless (1) an Event of Default has occurred of which the Trustee has been notified, (2) the Registered Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee, have offered the Trustee reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit, or proceeding in its own name, and have offered to the Trustee indemnity satisfactory to the Trustee, and (3) the Trustee for a period of 60 days thereafter fails or refuses to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name as Trustee. Nothing in the Indenture affects or impairs the right of any Bondowner to enforce the payment of the principal of and premium on any Bonds when due.

The Trustee

Any Trustee appointed under the Indenture must be a trust company or a federal savings bank or a banking association or commercial bank having trust powers, and be subject to supervision or examination by federal or state authority.

Prior to an Event of Default, (i) the Authority may, and upon direction of the University is required to, remove the Trustee at any time with or without cause. If an Event of Default has occurred and is continuing, the Authority may remove the Trustee only (i) for cause or, (ii) if requested to do so by an instrument or concurrent instruments in writing signed by the Bondowners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (iii) if at any time the Trustee ceases to be eligible in accordance with the provisions described above, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation; the Authority thereupon is required to appoint a successor Trustee.

The Trustee may at any time resign by giving 60 days written notice of such resignation to the Authority and the University.

Any removal or resignation of the Trustee and appointment of a successor Trustee may only become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and has accepted appointment within 45 days of giving notice of removal or notice of resignation, the incumbent Trustee, the University, or any Bondowner (on behalf of all Bondowners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee.

As a condition precedent to taking any action under the Indenture or the Loan Documents (except for making all required payments to Bondowners when due to the extent of available funds and in accordance with the terms of the Indenture, causing mandatory redemption or acceleration of maturity of

the Bonds as required in the Indenture), the Trustee may require that indemnity satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.

If the Bonds are in book-entry only form, within five Business Days after the receipt by the Trustee of a written application by any three or more Beneficial Owners stating that the applicants desire to communicate with other Beneficial Owners with respect to their rights under the Indenture or under the Bonds and accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, and by reasonable proof that each such applicant has owned a Bond for a period of at least six months preceding the date of such application, the Trustee is to notify DTC of such application, and at its election, either: (a) afford to such applicants access to all information furnished to or received by the Trustee from DTC; or (b) inform such applicants as to the approximate number of Participants according to the most recent information furnished to or received by the Trustee from DTC, and as to the approximate cost of mailing to the Owners the form of proxy or other communication, if any, specified in such application.

Defeasance

Any Bond or portions thereof in Authorized Denominations, prior to the maturity or redemption thereof, will be deemed to be paid and defeased within the meaning of the Indenture when:

(a) payment of the principal of such Bonds or portion thereof, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either: has been made or caused to be made in accordance with the terms of the Indenture or has been provided for, by irrevocably depositing with the Trustee, in trust, and irrevocably setting aside exclusively for such payment any combination of money which is sufficient to make such payment when due and/or non-prepayable Government Obligations purchased with such money maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient money to make such payment;

(b) the Trustee, not less than five Business Days prior to such defeasance, has received a certificate from a firm of certified public accountants to the effect that the money and/or Government Obligations purchased with such money so deposited will be sufficient, without reinvestment, to pay debt service on all Bonds to be paid with the deposit described in (a) above to the due date thereof;

(c) all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made have been paid or the payment thereof provided for to the satisfaction of the Trustee; and

(d) the Trustee shall have received an opinion of Bond Counsel to the effect that all of the requirements of the Indenture for defeasance have been complied with.

Supplemental Indentures

Amendments Requiring Consent of Bondowners. The Indenture and the rights and obligations of the Authority, the Bondowners and the Trustee may be modified or amended at any time by a Supplemental Indenture which is to become effective when signed by the parties to the Indenture and the written consents of the Registered Owners of 51% or more of the aggregate principal amount of Bonds

Outstanding have been filed with the Trustee. No such modification or amendment may (a) extend the fixed maturity of any Bond, or reduce the amount of principal thereof or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Registered Owner of each Bond so affected, or (b) reduce the aforesaid percentage of the aggregate principal amount of Bonds then Outstanding the consent of the Registered Owners of which is required to effect any such modification or amendment, or (c) permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture or deprive the Bondowners of the lien created by the Indenture upon such Revenues and other assets, without the consent of the Bondowners of all of the Bonds then Outstanding.

Amendments Not Requiring Consent of Bondowners. The Indenture and the rights and obligations of the Authority, the Bondowners and the Trustee may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Bondowners, when signed by the parties thereto which amendment shall become effective upon execution (or such later date as may be specified in such Supplemental Indenture), but only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority contained in the Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds, or, except as provided in the Indenture, to surrender any right or power reserved in the Indenture to or conferred upon the Authority, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Bondowners;

(b) to make such provisions for the purpose of curing any ambiguity, inconsistency, or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Bondowners;

(c) to modify, amend or supplement the Indenture in such manner as to permit the qualification of the Indenture under the Indenture Act or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Bondowners;

(d) to modify, amend, or supplement the Indenture in any other way which shall not materially adversely affect the interests of the Bondowners;

(e) to provide for the delivery of Bonds in fully certificated form;

(f) to comply with state or federal securities laws;

(g) to modify, amend or supplement the Indenture in any other way necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes;

(h) to provide for the issuance of Additional Bonds or additional indebtedness; or

(i) to provide for the substitution of the Revenues and Pledged Revenues and all other property and collateral pledged under the Indenture to the Trust Estate, with an obligation issued pursuant to a master trust indenture of the University; provided, that any such substitution shall be accompanied by a Rating Agency confirmation of the rating of the Bonds and an opinion of Bond Counsel that such substitution shall not adversely affect the exclusion from gross income for federal tax purposes of interest on the Bonds.

Amendment of Loan Documents

Amendment to Loan Documents Not Requiring Consent of Bondowners. Subject to the provisions of the Indenture, but without the consent of or notice to any of the Bondowners, the Trustee and the respective parties thereto may enter into any amendment, change, or modification of the Loan Documents in connection with (a) carrying out the provisions of the Loan Documents, the Intercreditor and Collateral Agency Agreement, or the Indenture, (b) curing any ambiguity or formal defect or omission, (c) adding any additional rights acquired in accordance with the provisions of the Loan Documents, (d) modifying the provisions of the Continuing Disclosure Agreement deemed necessary or advisable, in the opinion of Bond Counsel, in order to comply with the requirements of federal or state securities laws, or (e) any other change therein which is not to the material prejudice of the Trust Estate or the Bondowners of the Bonds. The Authority and the Trustee, without the consent of or notice to any of the Bondowners, are required to enter into any amendment, change, or modification of the Loan Documents as may be necessary, in the opinion of Bond Counsel, to comply fully with all applicable rules, rulings, policies, procedures, regulations, or other official statements promulgated by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 145 of the Code.

Amendment to Loan Documents Requiring Consent of Bondowners. Except for the amendments, changes, or modifications described in “Amendment to Loan Documents Not Requiring Consent of Bondowners” above and subject to the provisions of the Indenture, neither the Authority nor the University may enter into any other amendment, change, or modification of the Loan Documents without mailing of notice and the written approval or consent of the Bondowners of not less than 51% or more of the aggregate principal amount of Bonds then Outstanding given and procured as provided in the Indenture; provided, however, that no provision described in this paragraph or in “Amendment to Loan Documents Not Requiring Consent of Bondowners” permits or is to be construed as permitting (a) an extension of the time of the payment of any amounts payable under the Loan Agreement or the Note, or (b) a reduction in the amount of any payment or in the total amount due under the Note, without the consent of the Bondowners of all Bonds then Outstanding.

THE LOAN AGREEMENT

Loan Payments

Pursuant to the Loan Agreement, the Authority has agreed to sell, issue, and cause to be delivered to the purchasers thereof the Bonds, and the Authority has lent to the University all of the proceeds of the Bonds. The University has approved the sale, issuance, and delivery of the Bonds and all the terms and provisions of the Indenture, including the assignment thereunder to the Trustee, without recourse, of the Authority’s rights, title, interests and duties in and under the Note and the Loan Agreement (with certain exceptions and reservations).

The University has agreed to pay, in accordance with the Note, in repayment of the Loan, to the Trustee until the principal of and interest on the Bonds have been paid or provision for payment has been made in accordance with the Indenture, the following amounts: (1) on or before 4:00 p.m. Seattle time on

the fifth Business Day immediately before each Interest Payment Date the principal and mandatory sinking fund payments, if any, becoming due on the Bonds on such Interest Payment Date until such time as the principal amount of the Bonds is paid in full; and (2) on or before 4:00 p.m. Seattle time on the fifth Business Day immediately before each Interest Payment Date the interest becoming due on the Bonds on such Interest Payment Date until such time as all principal of and interest on the Outstanding Bonds is paid in full; provided, that such amounts shall take into account amounts on deposit in or to be transferred to the Debt Service Fund representing investment earnings on funds held under the Indenture.

The University is required to repay the Loan irrespective of any rights of set-off, recoupment, or counterclaim it might have against the Authority, the Trustee, or any other person. The University has agreed not to suspend, discontinue, or reduce any such payment or (except as expressly provided in the Loan Agreement) terminate the Loan Agreement for any cause, including (i) any delay or interruption in the acquisition, construction, equipping or operation of the Project Facilities; (ii) the failure to obtain any permit, order, or action of any kind from any governmental agency relating to the Loan or the Project Facilities; (iii) any event constituting *force majeure*; (iv) any acts or circumstances that may constitute commercial frustration of purpose; (v) the termination of the Loan Agreement or any of the other Loan Documents; (vi) any change in the laws of the United States of America, the State, or any political subdivision thereof; or (vii) any failure of the Authority to perform or observe any covenant whether expressed or implied, or to discharge any duty, liability or obligation arising out of or connected with the Note.

The obligations of the University under the Loan Agreement constitute a general obligation of the University secured by a security interest granted under the Loan Agreement in (a) Unrestricted Gross Revenues, which security interest is to be on a parity basis with certain other security interests pursuant to the Intercreditor and Collateral Agency Agreement as contemplated therein (the “Pledged Revenues”), and (b) the University’s interests, if any, in the Project Fund and the Debt Service Fund. The Loan Agreement is intended to be a security agreement within the meaning of the Uniform Commercial Code as in effect in the State. Such security interest in the Pledged Revenues is intended to be and remain a first lien for so long as any of the Bonds are Outstanding, subject only to parity liens to the extent described in “Security for Additional Indebtedness” below.

The Note is subject to optional, mandatory sinking fund, and extraordinary mandatory prepayment in accordance with the corresponding redemption provisions of the Bonds, and the University has agreed to make all such payments.

Covenants of the University

Tax-Exempt Status of Bonds. The Authority and the University are to take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Bondowners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Insurance. The University is to maintain or cause to be maintained with respect to its campus, with insurance companies or by means of self-insurance, insurance of such type, against such risks, and in such amounts as are customarily carried by private universities and universities located in the state of a nature similar to that of the University, which insurance is to include property damage, fire and extended coverage, public liability, and property damage liability insurance. The University is at all times also to maintain worker’s compensation coverage as required by the laws of the State.

Annual Budget. The University is to prepare and adopt an annual budget for each Fiscal Year, which will budget revenues of the University sufficient to pay all operating and maintenance expenses of

the University reasonably anticipated for such Fiscal Year and the debt service on all of its then outstanding indebtedness projected to be due in such Fiscal Year and to be paid.

Maintenance, Operation, and Use of the Project Facilities. The University is to use its best efforts to cause its campus to be maintained in good condition and repair, to maintain, operate, and use the Project Facilities, during the useful life thereof, as an integral part of the University's business as a post-secondary educational institution, and to honor all valid restrictions on the uses to which such facilities may be subject so long as the Project Facilities are owned by the University and not to alienate, sell, convey, or transfer Project Facilities unless it provides to the Trustee and the Authority an Opinion of Bond Counsel to the effect that such alienation, sale, conveyance, or transfer will not cause interest on the Bonds to be included in the gross income of the Owners thereof for federal income tax purposes.

Maintenance of Corporate Existence; Consolidation, Merger, Sale, or Transfer Under Certain Conditions. The University is to maintain its existence as a nonprofit corporation qualified to do business in the State and not to dissolve, sell, or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another corporation. Notwithstanding the foregoing, the University may consolidate with or merge into another corporation, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if: (a) the surviving, resulting or transferee corporation, as the case may be: (i) qualifies under the Act as a "Participant"; (ii) assumes in writing, if such corporation is not the University, all of the obligations of the University under the Loan Agreement; (iii) is not, after such transaction, otherwise in default under any provisions of the Loan Agreement; and (iv) is an organization described in Section 501(c)(3) of the Code, or a corresponding provision of the federal income tax laws then in effect; (b) the Authority and the Trustee have received a certificate of the University to the effect that the covenants under the Loan Agreement will be met after such consolidation, merger, sale, or transfer; and (c) the Trustee and the Authority have received an Opinion of Bond Counsel to the effect that such merger, consolidation, sale, or other transfer will not cause interest on the Bonds to be included in gross income for federal income tax purposes under Section 103 of the Code.

Security for Additional Indebtedness

The Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes. The University reserves the right to incur additional debt and encumber the Pledged Revenues. Notwithstanding anything in the Loan Agreement to the contrary, the University reserves the right to pledge its property which is a part of the Core Campus and to encumber its Pledged Revenues with a lien subordinate to the lien of the Bonds.

Intercreditor and Collateral Agency Agreement and Security Agreement

The rights and remedies of the Authority and the Trustee under the Loan Documents and the Indenture with respect to the Unrestricted Gross Revenues are to be governed by and subject to the terms and conditions of the Intercreditor and Collateral Agency Agreement. The Intercreditor and Collateral Agency Agreement contemplates that additional future secured parties may become parties thereto, that additional Indebtedness may be secured by Unrestricted Gross Revenues with priority on a parity with the liens or security interests of the original secured parties, and that all parties to the Intercreditor and Collateral Agency Agreement will share the collateral subject to the Intercreditor and Collateral Agency Agreement on a pooled basis, on the terms and conditions set forth therein.

Events of Default

Each of the following is a “Loan Agreement Default”:

(1) Failure by the University to make any required monetary payments to the Trustee or the Authority pursuant to the Loan Agreement, or fees or costs required to be paid to the Trustee under the Loan Documents or to make any payments under the Note, including a failure to repay any amounts which have been previously paid but are recovered, attached, or enjoined pursuant to any insolvency, receivership, liquidation, or similar proceedings. If such an event occurs, the Trustee within one Business Day of such event is required to provide prompt telephone notice confirmed in writing to the University and demand a cure thereof (provided, that failure by the Trustee to send such written notice with respect to a failure to make principal and interest payments will not constitute a waiver of or prevent the occurrence of a Loan Agreement Default), and if such event is not cured within two Business Days of the scheduled payment date or of the written default notice, then such event shall constitute a Loan Agreement Default.

(2) Receipt by the Trustee of written notice from the Authority or the University of any failure on the part of the University to perform or observe the duties, provisions or obligations required of it pursuant to the Loan Agreement, other than as set forth in (1) above, if such failure has continued for a period of 60 days after written notice thereof has been delivered to the University and the Authority by the Trustee unless the Authority with respect to such nonmonetary default has determined that such default is curable and the University is then taking steps reasonably calculated to cure such default.

(3) Receipt by the Trustee of written notice from the Authority or the University of the inaccuracy of any material representation or warranty made by or on behalf of the University in the Loan Agreement or any related instrument or certificates.

(4) A Declaration of Acceleration is made pursuant to the Indenture.

(5) The occurrence of any Act of Bankruptcy of the University.

Remedies on Default

Upon the occurrence of any Loan Agreement Default which has not been cured within any applicable cure period, any one or more of the following steps may be taken:

(1) The Trustee, as assignee of the Authority (but not the Authority) may, or at the written request of the Authority, is required to declare the principal of the Loan (if not then due and payable) to be due and payable immediately, and upon any such declaration the principal of the Loan and the Note is to become and be immediately due and payable, together with all interest accrued thereon to the date of such acceleration, anything in the Loan Agreement to the contrary notwithstanding. However, if at any time after the Loan shall have been so declared immediately due and payable and before any judgment or decree for the payment of the money due has been obtained or entered, every default in the observance or performance of any covenant, condition, or agreement contained in the Loan Agreement is made good or is secured to the satisfaction of the Trustee or provision is made therefor in a manner satisfactory to the Trustee, then the Trustee may waive such Loan Agreement Default, and may rescind and annul such declaration and its consequences. However, a Declaration of Acceleration made pursuant to the Indenture constitutes an acceleration of the Loan without further action by the Trustee, and such automatic acceleration of the Loan may only be waived or cured by waiver or cure of the Declaration of Acceleration pursuant to the Indenture.

(2) Upon the occurrence of a Loan Agreement Default resulting from a failure to make a required monetary payment or failure to timely make a required monetary payment, the University is required to transfer all Pledged Revenues then on hand immediately to the Trustee or an affiliate of the Trustee which is a member of the Federal Reserve Bank, and the University is required to transfer all Pledged Revenues received thereafter immediately, upon receipt, to the Trustee. The Trustee (or its affiliate) is to hold all Pledged Revenues so transferred in a separate segregated trust fund for the benefit of the Bonds, from which the Trustee is required to make disbursements solely to provide for the payment of principal of and interest on the Note when due and the reasonable and necessary costs of operation of the University's facilities.

(3) The Authority and/or the Trustee, as assignee of the Authority, may have access to and inspect, examine, and make copies of the books and records (except student records and any other materials made private or confidential by federal or State law or regulation) and any and all accounts, data, and income tax and other tax revenues of the University.

(4) The Trustee, in its own right and as assignee of the Authority, may proceed to protect and enforce its rights in equity or at law, either in mandamus or for the specific performance of any covenant or agreement contained in the Loan Agreement, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel, may deem most effectual to protect and enforce any of its rights or interests under the Loan Agreement.

(5) The Trustee, as assignee of the Authority (but not the Authority) may proceed to enforce its rights in equity or at law, either in mandamus or for the specific performance, of any covenant or agreement contained in the Note, or for the enforcement of any other appropriate legal or equitable remedy as the Trustee may deem most effectual to protect and enforce any of its rights or interests under the Note.

(6) The Authority may proceed to protect and enforce its rights in equity or at law, either in mandamus or for the specific performance of any covenant or agreement contained in the Loan Agreement or in the other Loan Documents, or for the enforcement of any other appropriate legal or equitable remedy, as the Authority may deem most effectual to protect and enforce any of its concurrent or reserved rights or interests under the Loan Agreement and under the Note with respect to: (a) tax exemption of the Bonds; (b) the payment of the Authority Fee or Trustee Fee; (c) indemnifications and reimbursements due to the Authority; and (d) receipt of reports and notices.

(7) The Trustee, as assignee of the Authority (but not the Authority), at the direction of the Authority is required to, or may, with the written consent of the Authority, pursue all remedies of a secured creditor under the applicable laws of the State.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

February ___, 2026

Washington Higher Education Facilities Authority
Seattle, Washington

U.S. Bank Trust Company, National Association, as Trustee
Seattle, Washington

Morgan Stanley & Co. LLC
New York, New York

The Corporation of Gonzaga University
Spokane, Washington

Re: Washington Higher Education Facilities Authority Revenue and Refunding
Revenue Bonds (Gonzaga University Project), Series 2026 - \$_____

Addressees:

We have examined the Constitution and laws of the State of Washington (the “State”) and a certified transcript of the proceedings taken by the Washington Higher Education Facilities Authority (the “Authority”) in the matter of the issuance by the Authority of its Revenue and Refunding Revenue Bonds (Gonzaga University Project), Series 2026 (the “Bonds”) in the aggregate principal amount of \$_____ for the purpose of making a loan (the “Loan”) to The Corporation of Gonzaga University, a Washington nonprofit corporation (the “University”), in accordance with a Loan Agreement dated as of February 1, 2026 (the “Loan Agreement”), among the Authority, the University and U.S. Bank Trust Company, National Association (the “Trustee”). Proceeds of the Bonds will be used to finance the planning, design, construction, installation, acquisition and equipping of capital improvements to the University’s facilities, to refund a portion of the Authority’s Taxable Revenue Bonds (Gonzaga University Project), Series 2013B and a portion of The Corporation of Gonzaga University Revenue and Refunding Taxable Bonds, Series 2016A, and to pay certain expenses incurred in connection with the issuance of the Bonds. The Authority has executed a Non-Arbitrage Certificate and the University has executed a Tax Certificate of the Borrower, each dated on the date hereof (together, the “Tax Certificates”) regarding, among other things, the use and investment of the proceeds of the Bonds.

The Bonds have been authorized pursuant to Chapter 169, Laws of Washington, 1983 (chapter 28B.07 RCW), as amended (the “Act”), a resolution of the Authority adopted December 15, 2025 (the “Resolution”), and an Indenture of Trust dated as of February 1, 2026

(the “Indenture”), between the Authority and the Trustee. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture.

The Bonds are dated as of the date hereof, are fully registered, and mature on the date and bear interest from their date at the rates per annum set forth in the Bonds and the Indenture. Interest on the Bonds is payable on April 1 and October 1 of each year commencing April 1, 2026, and shall be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds are subject to redemption prior to their stated maturity as provided in the Indenture.

The Bonds are special limited obligations of the Authority. The principal of, redemption premium, if any, and interest on the Bonds are payable solely from and secured by a pledge of certain moneys, securities and earnings held in the funds and accounts created under the Indenture and pledged to the Bonds.

The Authority has not designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

We have examined executed counterparts of the Loan Agreement, the Indenture, the Tax Certificates and such other documents, rules, regulations or other matters as we have deemed relevant in arriving at the opinions stated below. In rendering the opinions we have also relied on the opinion of Kutak Rock LLP, counsel to the University, to the effect that the University is exempt from tax pursuant to Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code and that the facilities being financed and refinanced with the proceeds of the Bonds will not be and are not being used in an unrelated trade or business of the University within the meaning of Section 513(a) of the Code.

Based on the foregoing, it is our opinion that, under existing law:

1. The Bonds have been duly authorized, executed and delivered, constitute legal, valid and binding special obligations of the Authority in accordance with their terms and are entitled to the benefits and security provided by the Indenture.
2. The Indenture creates the valid pledge of and lien on the Revenues, other money and securities, funds, accounts, guarantees, insurance and other items comprising the Trust Estate and held by the Trustee under the Indenture, which it purports to create to secure and/or support the payment of principal of, redemption premium, if any, and interest on the Bonds, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.
3. The Bonds are not a debt of the State or of any political subdivision of the State or any municipal corporation or other subdivision of the State. Neither the State nor any municipal corporation or other political subdivision of the State, other than the Authority, is liable on the Bonds. The Bonds are not a debt, indebtedness or the borrowing of money within the meaning of any limitation or restriction on the issuance of bonds contained in the Constitution of the State.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Authority and the University comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and the University have covenanted to comply with all such requirements. Failure to comply with certain of such requirements or with certain requirements with respect to the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance.

Except as expressly stated above, we express no opinion regarding any tax consequences related to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

With respect to the opinions expressed herein, the enforceability of rights and obligations under the Bonds, the Indenture, the Resolution, the Tax Certificates and the Loan Agreement and against the assets pledged by the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

PACIFICA LAW GROUP LLP

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APPENDIX E
FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of February [], 2026 (this “Disclosure Agreement”), is executed and delivered by and between The Corporation of Gonzaga University (the “University”), and U.S. Bank Trust Company, National Association, acting solely in its capacity as dissemination agent, Seattle, Washington (the “Dissemination Agent”), and its successors and assigns, in connection with the issuance by the Washington Higher Education Facilities Authority (the “Authority”) of the Authority’s Revenue and Refunding Revenue Bonds (Gonzaga University Project), Series 2026 in the aggregate principal amount of \$[PAR] (the “Bonds”). The Bonds are being issued by the Authority pursuant to an Indenture of Trust, dated as of February 1, 2026 (the “Indenture”), between the Authority and the Trustee (defined herein), as it may be amended from time to time. The Bonds will be delivered on the date hereof. The University and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the University and the Dissemination Agent for the benefit of the Registered Owners of the Bonds (for such purpose beneficial owners of the Bonds shall also be considered Registered Owners of the Bonds) and in order to assist the Participating Underwriter in complying with the Rule (each as defined below). The University and the Dissemination Agent each acknowledge that the Trustee (in its capacity as Trustee under the Indenture) has not undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, nor has it any liability to any person, including any Registered Owners or beneficial Owner of Bonds, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean the financial information (which shall be based on financial statements prepared in accordance with GAAP, or operating data with respect to the University, provided at least annually, of the type included in the Official Statement; which Annual Financial Information may, but is not required to, include Audited Consolidated Financial Statements. Such operating data should include current information of the type included in Appendix A of the Official Statement under the headings “Faculty and Staff,” including the table thereunder entitled “Faculty Summary,” “FINANCIAL CONDITION OF THE UNIVERSITY—Summary Statement of Unrestricted Activities,” “—Comments on the University’s Financial Condition—Student Tuition and Fee Revenues,” including the table thereunder entitled “Tuition Rates, Room and Board,” “—Financial Aid Programs,” including the table thereunder entitled “Financial Aid Programs,” “—Student Enrollment,” including the tables thereunder entitled “Enrollment and Degrees,” “Application Pool,” and “Retention Rates and Graduation Rates of Incoming Freshmen,” “—Cash and Investments,” including the tables thereunder entitled “Cash and Investments” and “Pooled Endowment Fund Total Return,” and “—Property, Plant, and Equipment,” including the table thereunder entitled “Property, Plant, and Equipment,” and shall be in substantially the form set forth in Exhibit A attached hereto.

“Audited Consolidated Financial Statements” shall mean the University’s annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants.

“Bankruptcy Event” shall mean any of the following: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University, 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 University.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Bonds” shall have the meaning given in the recitals hereto.

“Dissemination Agent” shall mean U.S. Bank Trust Company, National Association, as dissemination agent under this Disclosure Agreement, its successors and assigns.

“EMMA” shall mean the Electronic Municipal Market Access system operated by the MSRB and the primary portal for complying with the continuing disclosure requirements of the Rule.

“Financial Obligation” shall mean a (A) debt obligation; (B) 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) guarantee of clause (A) or (B) of this definition. The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the fiscal year of the University, which as of the date hereof is the period from June 1 through May 31 of each year.

“GAAP” shall mean the generally accepted accounting principles applicable to colleges and universities in the United States of America.

“Indenture” shall have the meaning given in the recitals hereto.

“Listed Event” shall mean any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (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, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy Events, or insolvency, receivership or similar event of the University;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the University or the sale of all or substantially all of the assets of the University, 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 paying agent or the change of the name of a trustee or paying agent, if material;
- (xv) Incurrence of a Financial Obligation of the University, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the University, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

“Listed Event Notice” shall mean written or electronic notice of a Listed Event.

“Loan Agreement” shall mean the Loan Agreement by and among the University, the Authority, and the Trustee dated as of February 1, 2026, as it may be amended from time to time.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Commission, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the official statement dated January [], 2026 related to the Bonds. The Bonds are not offered for sale to potential investors pursuant to the Official Statement. References to Official Statement in this Disclosure Agreement are solely for the purpose of referencing certain Annual Financial Information to be provided so long as the Bonds are outstanding.

“Participating Underwriter” shall mean Morgan Stanley & Co. LLC and their successors and assigns, required to comply with the Rule in connection with the offering of the Bonds.

“Registered Owner” or “Bondowner” or “Owner” shall mean the person or persons in whose name or names a Bond shall be registered on the Bond Register.

“Report Date” shall have the meaning given in Section 3(b) herein.

“Repository” shall mean EMMA and any successor thereto.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission, its successors and assigns.

“Submission Date” shall have the meaning given in Section 3(b) herein.

“Trustee” shall mean U.S. Bank Trust Company, National Association, and its successors and assigns.

“University Representative” shall mean the person or persons at the time designated by the University to act on behalf of the University in connection with this Disclosure Agreement.

Section 3. Provision of Annual Financial Information; Audited Consolidated Financial Statements; and Listed Event Notices.

(a) The University, as an “obligated person” within the meaning of the Rule, undertakes to provide the following information as provided in this Disclosure Agreement:

- (i) Annual Financial Information;
- (ii) Audited Consolidated Financial Statements, if any; and
- (iii) Listed Event Notices.

(b) The University shall provide the Annual Financial Information to the Dissemination Agent, on or before January 1 of each year (the “Submission Date”), beginning in 2027; and the Dissemination Agent shall provide to the Authority and to the MSRB such Annual Financial Information on or before February 1 of each year beginning in 2027 (the “Report Date”) or, if not received by the Dissemination Agent by the Submission Date, then within five Business Days of its receipt by the Dissemination Agent.

The University shall include with each submission of Annual Financial Information to the Dissemination Agent and the Authority a written representation addressed to the Dissemination Agent and the Authority to the effect that the Annual Financial Information is the Annual Financial Information required by this Disclosure Agreement and that it complies with the applicable requirements of this Disclosure Agreement.

The University may adjust the Submission Date and the Report Date if the University changes its Fiscal Year by providing written notice of the change of Fiscal Year and the new

Submission Date and Report Date to the Dissemination Agent, the Authority and the MSRB; provided that the new Report Date shall be no later than seven months after the end of the new Fiscal Year and the new Submission Date shall be no later than 30 days prior to the Report Date, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new Fiscal Year shall not exceed one year in duration. It shall be sufficient if the University provides to the Dissemination Agent and the Authority and the Dissemination Agent provides to the MSRB the Annual Financial Information by specific reference to documents previously provided to the MSRB or filed with the SEC and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

(i) If not provided as part of the Annual Financial Information, the University shall provide the Audited Consolidated Financial Statements to the Dissemination Agent when and if available and the Dissemination Agent shall then promptly provide the Authority and the MSRB with such Audited Consolidated Financial Statements.

(ii) (1) Whenever the University obtains knowledge of the occurrence of a potential Listed Event, the University shall, within five Business Days of obtaining such knowledge and in any event no more than eight Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsections (3) or (4) below, as applicable.

(2) The Dissemination Agent shall, within five Business Days of obtaining such knowledge, notify the University whenever the Dissemination Agent identifies an occurrence which may require the University to provide a Listed Event Notice pursuant to this Disclosure Agreement; provided, that the failure of the Dissemination Agent so to notify the University shall not constitute a breach by the Dissemination Agent of any of its duties and responsibilities under the Indenture or hereunder.

(3) If the University has determined that a Listed Event is required to be disclosed then the University shall prepare a Listed Event Notice and provide the same to the Dissemination Agent along with instructions to file the same pursuant to subsection (5).

(4) If the University determines that an event is not required to be disclosed as a Listed Event then the University shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (5).

(5) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (1) of this section or otherwise, and is instructed by the University to report the occurrence of such Listed Event, the Dissemination Agent shall, within two Business Days of its receipt of such written notice and in any event no more than ten Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the University and the Authority.

(iii) If by five Business Days prior to the Submission Date specified above the Dissemination Agent has not received a copy of the Annual Financial Information, the

Dissemination Agent will contact the University to determine if the University is in compliance with this section. If the Dissemination Agent is unable to verify that the Annual Financial Information has been provided to the MSRB by the Submission Date, the Dissemination Agent shall, without further direction or instruction from the University, provide in a timely manner to the MSRB notice in substantially the form attached hereto as Exhibit B of any failure by the Dissemination Agent to provide to the MSRB Annual Financial Information on or before the Report Date (whether caused by failure of the University to provide such information to the Dissemination Agent, by the Submission Date or for any other reason). For the purposes of determining whether information received from the University is Annual Financial Information, the Dissemination Agent shall be entitled conclusively to rely on the University's written representation made pursuant to clause (b)(i) of this section.

(iv) If the University provides to the Dissemination Agent information relating to the University or the Bonds, which information is not designated as a Listed Event Notice, and directs the Dissemination Agent to provide such information to information repositories, the Dissemination Agent shall provide such information in a timely manner to the Authority and the MSRB.

Section 4. EMMA. The SEC has designated the EMMA system operated by the MSRB as the nationally recognized municipal securities information repository and the exclusive portal for complying with continuing disclosure requirements of the Rule. All notices, financial information and operating data required by this undertaking to be provided to the MSRB, or any successors to its functions, must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB. Until otherwise designated by the MSRB or the SEC, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the EMMA system, which as of the date hereof is located at www.emma.msrb.org.

Section 5. Dissemination Agent. U.S. Bank Trust Company, National Association, Seattle, Washington, shall serve as the Dissemination Agent under the terms of this Disclosure Agreement. The University shall send all information required by Section 3 hereof to the Dissemination Agent.

The University agrees to pay any reasonable costs incurred by the Dissemination Agent as a result of disseminating information to any requesting Registered or Beneficial Owners of the Bonds. The University may discharge the Dissemination Agent or any successor Dissemination Agent with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time by providing at least thirty (30) days written notice to the University and the Authority.

Nothing in this Disclosure Agreement shall be construed to require the Dissemination Agent to interpret or provide an opinion concerning the information made public. If the Dissemination Agent receives a request for an interpretation or opinion, the Dissemination Agent may refer such request to the University for response.

The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and in addition to any and all rights of the Dissemination Agent to reimbursement, indemnification and other rights pursuant to the Rule or under law or equity, the University agrees to indemnify and hold harmless the Dissemination Agent and its respective officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees and expenses) which such indemnified party may incur by reason of or in connection with the Dissemination Agent's performance under this Disclosure Agreement; provided that the University shall not be required to indemnify the Dissemination Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Dissemination Agent in such disclosure of information hereunder. The obligations of the University under this section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the University, the Bondholder or any other party.

Section 6. Termination of Reporting Obligations. The continuing obligation hereunder of the University to provide Annual Financial Information, Audited Consolidated Financial Statements and Listed Event Notices and the Dissemination Agent's obligations under this Disclosure Agreement with respect to the Bonds shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Bonds. If the University's obligations under the Loan Agreement are assumed in full by some other entity in accordance therewith, such Person shall be responsible for compliance with this Disclosure Agreement relating thereto in the same manner as if it were the University and the University shall have no further responsibility hereunder with respect thereto.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the University and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the University, provided that the Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the definitions of "Annual Financial Information" or "Listed Event," or to the provisions of Section 3, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance and delivery of the Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Loan Documents with the consent

of Owners, or (ii) does not, in the opinion of nationally recognized Bond Counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the University shall describe such amendment in the next Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the University. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event as described above, and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Default. In the event of a failure of the University or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and at the request of the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall) or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the University or the Dissemination Agent, as the case may be, to comply with their respective obligations under this Disclosure Agreement. Upon any such default, the Trustee is required to promptly notify (and confirm in writing) the Authority of such event but the Authority has no duties pursuant to this Disclosure Agreement as a result of being so notified. A default under this Disclosure Agreement shall not be deemed an event of default under the Indenture or Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the University or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 10. Severability. If any portion of this Disclosure Agreement shall be held invalid or inoperative, then, so far as is reasonable and possible (i) the remainder of this Disclosure Agreement shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion held invalid or inoperative.

Section 11. Other Instruments. The University and the Dissemination Agent covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out this Disclosure Agreement.

Section 12. Captions, Titles, and Headings. The captions, titles, and headings used in this Disclosure Agreement are for convenience only and shall not be construed in interpreting this Disclosure Agreement.

Section 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

If to the Authority: Washington Higher Education Facilities Authority
Bond #109, Gonzaga University
1000 Second Avenue, Suite 2700
Seattle, Washington 98104-1046
Attention: Director – Finance
Telephone: (206) 464-7139
Telefax: (206) 587-5113

If to the University: The Corporation of Gonzaga University
502 E. Boone Avenue
Spokane, Washington 99258-0096
Attention: Chief Financial Officer
Telephone: (509) 313-6801
Facsimile: (509) 313-5199

With a copy to: Kutak Rock LLP
510 W Riverside Avenue, #800
Spokane, Washington 99201
Telephone: (509) 747-4040
Facsimile: (509) 747-4545

If to the Dissemination Agent: U.S. Bank Trust Company, National Association
1420 Fifth Avenue, 11th Floor
Seattle, Washington 98101
Attention: Global Corporate Trust
Telephone: (206) 344-4682
Facsimile: (206) 344-4630

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

IN WITNESS WHEREOF, we have set our hands as of the date set forth above.

THE CORPORATION OF GONZAGA
UNIVERSITY, a Washington nonprofit corporation

By _____
Joseph P. Smith, Chief Financial Officer

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Dissemination Agent

By _____
Christine Ok, Vice President

EXHIBIT A

FORM OF CONTINUING DISCLOSURE ANNUAL REPORT

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

REVENUE AND REFUNDING REVENUE BONDS (GONZAGA UNIVERSITY PROJECT),
SERIES 2026

Report For Period Ending _____

Operating Data

Non-Financial

Please answer each of the following questions:

- (a) Has there been a change in the name and titles of officers since the last annual report? (Check one)

Yes No If yes, please indicate name and title.

- (b) Has there been a change in accreditation since the last annual report? See description below contained in the official statement (the “Official Statement”) dated January [], 2026 with respect to the Authority’s Revenue and Refunding Revenue Bonds (Gonzaga University Project), Series 2026. Refer to your annual reports for updates filed by The Corporation of Gonzaga University (the “University”). (Check one)

Yes No If yes, please describe.

The University is accredited by the Northwest Commission on Colleges and Universities. It also has professional accreditation or approval from the following organizations: _____.

- (c) Please describe any new litigation, or a material result in a litigation since the date of the last report.

- (d) Please describe any significant sale, destruction or loss of real property or other material assets since the date of the last report.

Please attach a copy of the University’s most recent financial statements.

Please update the following information for the most recent academic or fiscal year, as appropriate. A copy of the tables, as they appeared in the Official Statement, is included for your reference, but only the data for the most recent academic or fiscal year (as appropriate) needs to be included in your annual report:

“Faculty and Staff” (including the table thereunder entitled “Faculty Summary”)

FINANCIAL CONDITION OF THE UNIVERSITY—

Summary Statement of Unrestricted Activities

Comments on the University’s Financial Condition—Student Tuition and Fee Revenues (including the table thereunder entitled “Tuition Rates, Room and Board”)

Financial Aid Programs (including the table thereunder entitled “Financial Aid Programs”)

Student Enrollment (including the tables thereunder entitled “Enrollment and Degrees,” “Application Pool,” and “Retention Rates and Graduation Rates of Incoming Freshmen”)

Cash and Investments (including the tables thereunder entitled “Cash and Investments” and “Pooled Endowment Fund Total Return”)

Property, Plant, and Equipment (including the table thereunder entitled “Property, Plant, and Equipment”)

Listed Events

Please review the Continuing Disclosure Agreement dated as of February [__], 2026 between the University and U.S. Bank Trust Company, National Association and either confirm that no Listed Event has occurred or describe any Listed Event that has occurred since the date of the last report.

The University hereby certifies that the financial and operating information contained herein is the information required by the Continuing Disclosure Agreement.

THE CORPORATION OF GONZAGA
UNIVERSITY, a Washington nonprofit corporation

By _____
Authorized Officer

EXHIBIT B

CONTINUING DISCLOSURE UNDERTAKING NOTICE:
ANNUAL FINANCIAL INFORMATION

Relating to the

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

REVENUE AND REFUNDING REVENUE BONDS (GONZAGA UNIVERSITY PROJECT),
SERIES 2026

CUSIP Nos. _____

It has come to the attention of U.S. Bank Trust Company, National Association, as dissemination agent (the “Agent”) of The Corporation of Gonzaga University (the “University”) that certain required Annual Financial Information of the University for the period ending _____ was not timely filed with the Municipal Securities Rule Making Board (“MSRB”).

[The undersigned has been informed by the University that it anticipates that the required Annual Financial Information will be filed on the MSRB’s Electronic Municipal Market Access system (“EMMA”) by _____, 20__.]

Terms not otherwise defined herein shall have the meanings set forth in the Continuing Disclosure Agreement by and between the University and U.S. Bank Trust Company, National Association, as Dissemination Agent, dated as of February [__], 2026, relating to the above referenced Bonds.

Notice dated: _____, 20__.

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APPENDIX F
DTC AND ITS BOOK-ENTRY ONLY SYSTEM

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SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company (“DTC”), will act as securities depository for the securities (the “Securities”). The Securities 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 Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the 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. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. 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 U.S. and non-U.S. 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 (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct 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 Securities 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 Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 registrar and request that copies of notices be provided directly to them.]

6. [Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable 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 Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. [A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.



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