

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
BOND FINANCING PROGRAM**

EXECUTIVE SUMMARY

<p>Applicant: Loyola Marymount University (“LMU”) One LMU Drive Los Angeles, CA 90045-2659 Los Angeles County</p> <p>Facility Type: Private University</p> <p>Project Location: Los Angeles, CA</p> <p>Accreditations: Western Association of Schools and Colleges</p>	<p>Amount Requested: \$90,000,000</p> <p>Date Requested: September 27, 2018</p> <p>Resolution Number: 320</p>																				
<p>Use of Proceeds: Proceeds of taxable and tax-exempt bonds will be used to finance new student housing on the main Westchester campus. Taxable bonds allows LMU more flexibility in the use of the housing facilities during the summer.</p>																					
<p>Type of Issue: Tax-exempt and taxable, negotiated public offering</p> <p>Credit Enhancement: None</p> <p>Expected Credit Rating: A2 (Moody’s)</p> <p>Financing Team: <i>Please see Exhibit 1 to identify possible conflicts of interest</i></p>																					
<p>Environmental Benefits: The project will pursue a minimum of LEED Silver which will focus on renewable opportunities, along with air and water quality. Where applicable, the project will employ passive design strategies to reduce energy use. Supplemental active systems will be designed and implemented to maximize energy efficiency within the constraints of the budget and as appropriate for the local climate.</p>																					
<p>Financial Overview: LMU’s income statement appears to exhibit positive operating results over the review period from FY 2015 to FY 2017. LMU’s balance sheet appears to display a solid financial position with a pro-forma debt service coverage ratio of 2.13x.</p>																					
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<p>Due Diligence: Staff has received and reviewed the Eligibility, Legal Review, Religious Due Diligence, CEQA documentation, and the Iran Contracting Act Certification. All documentation satisfies the Authority’s requirements.</p>																					
<p>Staff Recommendation: Staff recommends the Authority approve Resolution Number 320 for Loyola Marymount University in an amount not to exceed \$90,000,000 subject to the conditions in the resolution, including a rating of at least investment grade by a nationally recognized rating agency. TAP International, Inc., the Authority’s financial analyst, and KNN Public Finance LLC (“KNN”), the Authority’s financial advisor, concur with the Authority’s staff recommendation.</p>																					

STAFF SUMMARY AND RECOMMENDATION

Loyola Marymount University (“LMU”)

September 27, 2018

Resolution No. 320

I. PURPOSE OF FINANCING:

LMU intends to issue CEFA Series 2018A and 2018B tax-exempt and taxable bonds to finance new student housing on the main Westchester campus. Taxable bonds allows LMU more flexibility in the use of the housing facilities during the summer. During the summer months the student housing may be used for conferences and/or housing for summer interns working nearby, both of which may be considered private business use of tax-exempt bond-financed facilities under federal law. The campus housing occupancy has ranged between 99% and 102% over the past four years. The increasing number of undergraduates from Fall 2017 to Fall 2020 is expected to drive even greater demand for limited on-campus student housing. Providing a sufficient level of on-campus housing is essential for attracting and retaining students. The additional housing will also generate additional revenues to support related operating expenses and debt service.

LMU has indicated that all or a portion of the bond issuance will be designated as green bonds. Green Bonds may follow the Green Bond Principles that are voluntary guidelines framed by four core components. The four core components are (1) use of proceeds, (2) process for the project evaluation and selection, (3) management of proceeds, and (4) reporting.

Project Fund \$88,674,447

LMU plans to build undergraduate housing for 625 beds. The new building is approximately 190,000 square feet and will replace two smaller housing structures originally built in the 1940’s that totaled 169 beds. The project will add over 450 net new beds, and the new student housing is expected to open in August 2020.

Should the housing project come in under budget, remaining bond proceeds may be used for improvements to various existing campus facilities. These consist of, but are not limited to, wet utility infrastructure, campus roads, Alumni Mall hardscape, the Child Care Center and University Hall escalators, elevators and stairs.

Capitalized Interest 5,649,630

Environmental Benefits:

The project will pursue a minimum of LEED Silver which will focus on renewable opportunities, along with air and water quality. Where applicable, the project will employ passive design strategies to reduce energy use. Supplemental active systems will be designed and implemented to maximize energy efficiency within the constraints of the budget and as appropriate for the local climate.

Financing Costs..... 830,877

Cost of Issuance\$500,000

Underwriters Discount330,877

TOTAL ESTIMATED USES OF FUNDS..... \$95,154,954

II. PROPOSED COVENANTS, SECURITY AND DISCLOSURES:

The Executive Summary and recommendations include minimum requirements. Additional or more stringent covenants or disclosures may be added following consultation with Authority staff but without further notification to the Authority's Board. These covenants cannot be diluted or removed without subsequent review. If there have been modifications to the covenant proposal following the preparation of this executive summary, staff will report such changes at the meeting.

After reviewing LMU's credit profile, including its current financial profile, prior bond transactions and considering what the market will support, LMU, KNN (the Authority's financial advisor), and the underwriters of the proposed bonds have concluded that the covenants listed below should be applicable to this transaction. LMU, the underwriters, and KNN note that the current financial situation of LMU does not suggest that additional covenants should be required by the Authority.

- ✓ **Unconditional Promise to Pay.** *Borrower agrees to pay Trustee all amounts required for principal and interest and other payments and expenses designated in the Loan Agreement. All Revenue¹ and any other amounts held in a designated fund or account under the Bond Indenture are pledged to secure the full payment of the bonds.*
- ✓ **Disposition of Cash and Property Limitations.** *Borrower agrees not to sell, lease or dispose of substantially all assets unless authorized by the Loan Agreement.*
- ✓ **Comply with SEC Rule 15c2-12.** *The rule prohibits underwriters from underwriting municipal bond deals unless the issuer or borrower contractually agrees to disclose designated financial and operating information to the marketplace during the life of the bonds and to report designated "material events" such as missed debt service payments, any change in bond ratings, defeasance, redemptions, etc.*

Staff has completed its due diligence, and KNN has reviewed the Loan Agreement, Bond Indenture, and prior LMU offering documents associated with this financing package and found these documents and proposed covenants to be acceptable.

¹ Capitalized terms defined in the Indenture.

III. FINANCIAL ANALYSIS:

Loyola Marymount University
Statement of Activities
Unrestricted
(\$000s)

	Fiscal Year Ended May 31,		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating Revenues:			
Net tuition and fees	\$ 265,983	\$ 256,486	\$ 252,497
Investment returns designated for operations	19,926	16,426	12,135
Contributions and pledges	9,451	7,754	10,944
Grants	11,114	9,209	7,424
Auxiliary enterprise revenue	44,233	44,217	42,602
Other revenue	9,493	8,995	8,759
Net assets released from restrictions	12,565	11,366	9,587
Total operating revenues	<u>372,765</u>	<u>354,453</u>	<u>343,948</u>
Operating Expenses:			
Instruction	145,476	140,814	134,961
Research	6,084	6,858	5,839
Academic support	35,999	35,761	33,723
Library	14,444	14,329	13,698
Student services	62,673	61,662	59,482
Institutional support	61,682	56,839	57,217
Auxiliary enterprises	34,084	33,698	29,777
Total operating expenses	<u>360,442</u>	<u>349,961</u>	<u>334,697</u>
Increase in operating net assets	12,323	4,492	9,251
Non-operating Revenues and Expenses:			
Contributions for non-operating purposes	7	6	67
Contributions for acquisition of capital assets	550	1,534	224
Investment returns (losses) after amounts designated for current operations	(6,719)	(30,854)	(15,264)
Loss on early extinguishment of debt	-	-	-
Net realized and unrealized (losses) gains on interest rate swap	462	(1,458)	(1,852)
Other non-operating (expenses) income	1,065	(250)	571
Net assets released from restriction	3,777	35,594	415
Donor redesignations	(954)	(205)	(1,475)
Non-operating revenues (expenses), net	<u>(1,812)</u>	<u>4,367</u>	<u>(17,314)</u>
Increase (decrease) in net assets	10,511	8,859	(8,063)
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	<u>610,991</u>	<u>602,132</u>	<u>610,195</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$ 621,502</u>	<u>\$ 610,991</u>	<u>\$ 602,132</u>

Loyola Marymount University
Statement of Financial Position
(\$000s)

	As of May 31,		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
ASSETS:			
Cash and cash equivalents	\$ 46,854	\$ 29,807	\$ 35,970
Accounts receivable, tuition and fees	3,300	3,270	3,934
Other	14,792	18,990	14,075
Pledges receivable, net	16,839	18,883	21,790
Notes receivable	36,315	39,630	40,362
Investments	505,887	459,637	488,340
Prepaid expenses, deferred charges and other assets	7,211	6,996	10,037
Assets whose use is limited by bond indentures	-	1,010	6,495
Plant properties, net	633,913	641,665	624,772
Total assets	\$ 1,265,111	\$ 1,219,888	\$ 1,245,775
LIABILITIES AND NET ASSETS:			
Accrued payroll expense	\$ 13,166	\$ 12,129	\$ 10,864
Accounts payable and accrued expenses	44,530	40,459	42,410
Accrued interest expense	50,179	48,026	45,705
Deferred revenue and deposits	23,439	20,769	16,049
Debt outstanding, net	156,695	166,070	175,380
Loan funds returnable to donor	1,169	1,264	1,302
U.S. government grants refundable	10,531	10,531	10,702
Annuity liabilities and assets held for others	3,003	2,719	2,114
Total liabilities	302,712	301,967	304,526
NET ASSETS:			
Unrestricted	621,502	610,991	602,132
Temporarily restricted	136,136	108,004	151,956
Permanently restricted	204,761	198,926	187,161
TOTAL NET ASSETS	962,399	917,921	941,249
TOTAL LIABILITIES AND NET ASSETS	\$ 1,265,111	\$ 1,219,888	\$ 1,245,775

Financial Ratios

	Proforma			
	<u>FYE 5/31/17^(a)</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt service coverage (x)	2.13	2.90	2.39	2.63
Debt to expendable net assets (x)	0.33	0.21	0.23	0.23
Expendable net assets to operations (x)		2.10	2.05	2.25
Margin		3.31%	1.27%	2.69%

^(a) Recalculates FY 2017 results to include the impact of this proposed financing.

Financial Discussion:

LMU's income statement appears to exhibit positive operating results over the review period from FY 2015 to FY 2017.

Total unrestricted revenues increased from approximately \$343.9 million in FY 2015 to approximately \$372.8 million in FY 2017, an increase of approximately 8%. Net tuition and fees and auxiliary enterprise revenue represented, approximately 83% of LMU's total unrestricted revenues in FY 2017. According to LMU's management, the increase in net tuition and fees from approximately \$252.5 million in FY 2015 to approximately \$265.9 million in FY 2017 was primarily due to planned tuition rate increases of 2.9% in FY 2016 and 3.9% in FY 2017, and an overall increase in enrollment. Auxiliary enterprise revenue increased from \$42.6 million in FY 2015 to approximately \$44.2 million in FY 2017. According to LMU's management, the growth was primarily due to an increase in housing rates, occupancy, and the occurrences of non-planned summer conferences.

LMU displayed positive net assets of approximately \$10.5 million in FY 2017 and approximately \$8.6 million in FY 2016, but showed a loss of approximately \$8.1 million in FY 2015. According to LMU's management, the loss in FY 2015 was largely due to unrealized losses on its investment returns. The fair market value of its investments tends to fluctuate year to year driven by market volatility and can fluctuate due to those investment gains and or losses.

Total operating expenses increased approximately 8% from approximately \$334.7 million in FY 2015 to approximately \$360.4 million in FY 2017. According to LMU's management, the increase in total operating expenses was primarily due to increased salaries related to planned merit increases, increased healthcare benefit costs, planned contractual increases, and funding of strategic priorities.

LMU's balance sheet appears to display a solid financial position with a pro-forma debt service coverage ratio of 2.13x.

LMU's debt service coverage ratio appears to be a solid 2.90x for FY 2017. With the addition of the proposed CEFA Series 2018A and 20187B bonds, the proforma debt service coverage ratio drops slightly to an acceptable 2.13x, indicating LMU's continued ability to support the additional debt. Debt to expendable net assets ratio has remained at a three-year average of just over 0.22x.

LMU's investment assets increased from approximately \$488.3 million in FY 2015 to approximately \$505.9 million in FY 2017. According to LMU's management, the University has made an effort to grow short term, unrestricted, and liquid investments in order to further support ongoing operations and working capital. LMU's management also noted its endowment, which comprises a significant portion of investment assets, grew a net 2.5% over the review period, driven by positive investment returns and new contributions, but partially offset by distributions to operations.

Total net assets reflect continued growth, increasing from approximately \$941.2 million in FY 2015 to \$962.4 million in FY 2017. According to LMU's management, LMU's tight control over operating and capital spending, conservative use of debt, and prudent investment management have led to an improved balance sheet and capital structure.

IV. BACKGROUND:

General:

Located in the city of Los Angeles, Loyola Marymount University (“LMU”) is a nonprofit, coeducational, privately endowed university emphasizing undergraduate liberal arts as well as a professional and graduate education. LMU is the successor to St. Vincent’s College, which was founded in 1865. In 1918, the institution was incorporated as Loyola College of Los Angeles by the members of the Society of Jesus and gained university status in 1930. The Marymount College for Women, founded in 1933, was consolidated with Loyola University in 1973 to become Loyola Marymount University. LMU has two major campuses: the 142-acre Westchester campus and the Loyola Law School campus.

Administration:

A self-perpetuating Board of Trustees comprised of up to 50 members serving three-year terms governs LMU, currently there are forty-four (44) members of the Board of Trustees as of July 30, 2018. The terms of approximately one-third of the members expire each year, and all officers of the Board are elected annually.

Accreditation and Affiliations:

LMU is accredited by the Western Association of Schools and Colleges. It also has professional accreditation or approval from the following organizations: Accreditation Association for Ambulatory Health Care; American Art Therapy Association; American Bar Association; Association of American Law Schools; Association to Advance Collegiate Schools of Business; California State Commission on Teacher Credentialing; Committee of Bar Examiners of the State of California; The Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology; International Association of Counseling Services; National Association of Schools of Art and Design Commission on Accreditation; National Association of Schools of Dance; National Association of Schools of Music; National Association of Schools of Theatre; National Association of School Psychology; and the National Council for Accreditation of Teacher Education.

Academic Programs:

LMU’s educational program is organized into four undergraduate Colleges, two Schools, the Graduate Division and the Law School. The colleges and schools of Liberal Arts, Communication and Fine Arts, Business Administration, Science and Engineering, the School of Education and the School of Film and Television comprise the undergraduate division of the University.

Graduate degrees are awarded in the Law School and in selected majors in each of the Colleges and in the School of Education and Film and Television. LMU offers 58 baccalaureate programs; 48 Master’s programs; 3 doctoral degrees, and 13 state-regulated credential or authorization programs. LMU also offers continuing education and summer session courses.

V. OUTSTANDING DEBT (\$000's):

Date Issued:	<u>Original Amount</u>	<u>Amount Outstanding as of 5/31/2017</u>	<u>Estimated Amount Outstanding After Proposed Financing</u>
Existing Debt:			
CEFA, Series 2001A	\$ 75,449	\$ 34,196	\$ 34,196
CEFA, Series 2010A	65,185	46,985	46,985
CEFA, Series 2011	22,105	9,235	9,235
CEFA, Series 2013A	37,000	34,085	34,085
CEFA, Series 2015	30,025	27,925	27,925
<i>Proposed:</i>			
CEFA, Series 2018 A&B			<u>90,000</u>
Total		<u>\$ 152,426</u>	<u>\$ 242,426</u>

VI. DUE DILIGENCE:

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

- Religious Due Diligence
- Legal Status Review
- Compliance with Section 94212(b) of the Education Code – California Environmental Quality Act
- Iran Contracting Act Certificate

VII. STAFF RECOMENDATION:

Staff recommends the Authority approve Resolution No. 320 in an amount not to exceed \$90,000,000 for Loyola Marymount University subject to a bond rating of at least investment grade by a nationally recognized rating agency. TAP International, Inc., the Authority's financial analyst, and KNN Public Finance LLC, the Authority's financial advisor, concur with the Authority's staff recommendations.

EXHIBIT 1

Financing Team Loyola Marymount University

Borrower:	Loyola Marymount University
Agent for Sale:	California State Treasurer
Issuer's Counsel:	Attorney General's Office
Issuer's Financial Advisor:	KNN Public Finance, LLC
Issuer's Financial Analyst:	TAP International, Incorporated
Borrower's Financial Advisor:	PFM Financial Advisors LLC
Borrower's Counsel:	Bridges & Bridges
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Senior Managing Underwriter:	Morgan Stanley
Co-Managing Underwriters:	Wells Fargo Securities Bank of America Merrill Lynch
Underwriter's Counsel:	Hawkins Delafield & Wood LLP
Trustee:	U.S. Bank National Association
Trustee's Counsel:	Dorsey & Whitney LLP
Rating Agency:	Moody's Investor Service, Inc.
Auditor:	PricewaterhouseCoopers LLP

RESOLUTION NO. 320

RESOLUTION OF THE CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS TO FINANCE PROJECTS AT THE EDUCATIONAL FACILITIES OF LOYOLA MARYMOUNT UNIVERSITY

September 27, 2018

WHEREAS, the California Educational Facilities Authority (the “Authority”), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Educational Facilities Authority Act (the “Act”) to issue revenue bonds and to loan the proceeds thereof to a participating private college or a participating nonprofit entity (both as defined in the Act) for the acquisition or construction of projects (as defined in the Act), to refund existing bonds, mortgages, or advances or other obligations incurred, given, or made by a participating private college for the acquisition or construction of any projects, to loan the proceeds thereof to a participating private college for the purpose of refinancing projects not originally funded pursuant to the Act (including repayment of costs, as defined in the Act), and to refund existing bonds or notes of the Authority;

WHEREAS, Loyola Marymount University (the “Borrower”) is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California;

WHEREAS, the Borrower has requested that the Authority issue one or more series of its revenue bonds in an aggregate principal amount not to exceed \$90,000,000, to (i) make one or more loans of the proceeds of the Bonds (as defined below) to the Borrower to acquire and construct projects (as defined in the Act), as more particularly described under the caption “Project” in Exhibit A hereto (the “Project”), (ii) pay capitalized interest on the Bonds, (iii) pay costs of issuance of the Bonds, and (iv) provide a bond reserve fund for the Bonds;

WHEREAS, to the extent required by subdivision (b) of Section 94212 of the Education Code, the Borrower has provided documentation to the Authority demonstrating, to the extent applicable, that the Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code or is not a “project” under such division; and

WHEREAS, approval of the terms of issuance and sale of such revenue bonds and various related matters is now sought.

NOW, THEREFORE, BE IT RESOLVED by the California Educational Facilities Authority as follows:

Section 1. Pursuant to the Act, revenue bonds of the Authority designated as the “California Educational Facilities Authority Revenue Bonds (Loyola Marymount University), Taxable Series 2018A” and “California Educational Facilities Authority Revenue Bonds (Loyola Marymount University), Series 2018B” (the “Bonds”), in a total aggregate principal amount not to exceed \$90,000,000, are hereby authorized to be issued from time to time, in one or more series, with such other name or names of the Bonds or series thereof as

designated in the Indenture, hereinafter mentioned below, pursuant to which the Bonds will be issued. The proceeds of the Bonds shall be used for any or all of the purposes set forth in the fourth recital above.

Section 2. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to enter into agreements to sell the Bonds in one or more series, on one or more sale dates at any time within one year of the date of adoption of this Resolution, at public or private sale, in such aggregate principal amount (not to exceed the aggregate principal amount set forth in Section 1) and in such series, at such prices, at such interest rate or rates, with such maturity date or dates and upon such other terms and conditions as the Treasurer, with the advice and consent of the Borrower, may determine. The Bonds, at issuance, shall be rated at investment grade by an active nationally recognized rating agency. The Bonds or any series of them may, at the sole option of the Borrower, be secured or supported by one or more of the following: deed of trust, bond reserve fund, bond insurance, other credit and/or liquidity facility and/or another security arrangement.

Section 3. The following documents:

(a) the Loan Agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower;

(b) the Indenture relating to the Bonds (the “Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”);

(c) the Bond Purchase Agreement, including the appendices thereto, relating to the Bonds (the “Bond Purchase Agreement”), among Morgan Stanley & Co. LLC (the “Representative”) as representative of itself, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Wells Fargo Bank, National Association (the “Underwriters”), the Treasurer and the Authority and approved by the Borrower; and

(d) the preliminary official statement relating to the Bonds (the “Preliminary Official Statement”).

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect provisions relating to a deed of trust, a bond reserve fund, bond insurance, any other credit and/or liquidity facility and/or another security arrangement, at the sole option of the Borrower, for any series of Bonds) as the officer(s) executing the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture, and the Bond Purchase Agreement and by delivery thereof in the case of the Preliminary Official Statement. The Executive Director shall seek the advice of bond counsel and counsel to the Authority with respect to any such insertions, deletions or changes therein.

Section 4. The dated dates, maturity dates (not exceeding 50 years from the respective date of issue), interest rates, manner of determining interest rates, interest payment dates, denominations, forms, registration privileges or requirements, place or places of payment, terms of purchase or tender, terms of redemption, provisions governing transfer and other terms

of the Bonds, including provisions for credit and/or liquidity facilities, if any, from time to time, shall be as provided in the Indenture, as finally executed.

Section 5. The Underwriters are hereby authorized to distribute the Preliminary Official Statement for each issue of the Bonds to persons who may be interested in the purchase of such Bonds offered in such issuance, it being understood that, at the discretion of the Underwriters (in consultation with the Borrower), a preliminary official statement may not be used with respect to any series of Bonds. The Underwriters are hereby directed to deliver a final official statement for each issue of the Bonds (the “Official Statement”) to all actual purchasers of such Bonds.

Section 6. The Bonds, when executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or upon direction of the Underwriters thereof in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Said instructions shall provide for the delivery of the Bonds to or upon direction of the Underwriters, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

Section 7. Each officer of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things which they may deem necessary or advisable in order to consummate the issuance, sale, and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the Indenture, Loan Agreement, Bond Purchase Agreement and Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) a tax certificate and agreement and other certifications; and (b) any agreement or commitment letter with respect to the provision of bond insurance, a letter of credit, a surety bond, a credit facility and/or a liquidity facility for the Bonds.

Section 8. The provisions of the Authority’s Resolution No. 2017-01 apply to the documents and actions approved in this Resolution.

Section 9. The Authority hereby approves and ratifies each and every action taken by its officers, agents and employees prior to the date hereof in furtherance of the purposes of this Resolution.

Section 10. This Resolution shall take effect from and after the date of adoption.

Date of Adoption: _____

EXHIBIT A

Project

The Project means the financing the acquisition, construction, expansion, rehabilitation, renovation, remodeling, furnishing and equipping of residence halls, academic buildings, administrative buildings, athletic facilities, recreational facilities, information technology equipment and the infrastructure improvements relating thereto, located on or immediately adjacent to the Borrower's Westchester Campus at One LMU Drive, Los Angeles, California 90045, generally bounded by McConnell Avenue to the East, 78th and 80th Streets to the South, Lincoln Boulevard to the West and West Bluff Creek Drive to the North, to the extent the acquisition, construction, expansion, rehabilitation, renovation, remodeling, furnishing and equipping has complied with Division 13 (commencing with Section 21000) of the California Public Resources Code or is not a project under that division, and any eligible working capital related thereto.