CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
BOND FINANCING PROGRAM

EXECUTIVE SUMMARY

Applicant:	Loyola Marymount University ("LMU") One LMU Drive Los Angeles, CA 90045-2659 Los Angeles County	**Amount Requested:** **Date Requested:** **Resolution Number:**	$31,000,000 May 28, 2015 302
Facility Type:	Private University		
Project Location:	Los Angeles, CA		
Accreditations:	Western Association of Schools and Colleges		

Use of Proceeds: Proceeds will be used to refund, through optional redemption, the CEFA Series 2010B Variable Rate Refunding Revenue Bonds maturing in October 2015. The refunding is not being pursued for net present value savings but intended to fund the CEFA Series 2010B principal payment due October 1, 2015.

Type of Issue: Direct Bank Placement
Credit Enhancement: None
Expected Credit Rating: Unrated (please see Guidelines discussion, Page 3)
Financing Team: *Please see Exhibit 1 to identify possible conflicts of interest*

Environmental Benefits: Because this is a refunding of existing debt, environmental benefits are not applicable to this financing.

Financial Overview: LMU has posted positive operating results over the three-year review period, supported by steady growth in tuition revenue and strong investment returns. LMU's financial strength is sound, posting approximately $924 million in total net assets with good debt service coverage levels.

Sources of Funds:		**Uses of Funds:**	
Par Amount of Bonds	$31,000,000	Project Fund	$30,025,000
		Financing Costs	158,340
		Contingency*	816,660
Total Sources	$31,000,000	Total Uses	$31,000,000

* LMU intends to pay Costs of Issuance and Accrued Interest to closing on the Series 2010B Bonds out of its own equity and only intends to issue up to amount outstanding.

Legal Review: No information was disclosed to question the financial viability or legal integrity of the Applicant.

Staff Recommendation: Staff recommends the Authority approve Resolution No. 302 in an amount not to exceed $31,000,000 for Loyola Marymount University as an unrated Direct Bank Placement. Macias Gini & O'Connell LLP, the Authority's financial analyst, and Fieldman, Rolapp & Associates, Inc., the Authority's financial advisor, concur with the Authority's staff recommendations.

(KW)

STAFF SUMMARY AND RECOMMENDATION

Loyola Marymount University ("LMU")
May 28, 2015
Resolution No. 302

I. PURPOSE OF FINANCING: LMU intends to use the CEFA Series 2015 bond proceeds to refund, through optional redemption, all of the CEFA Series 2010B Variable Rate Refunding Revenue Bonds maturing on October 1, 2015, of which $30,025,000 is currently outstanding. The refunding is not being pursued for net present value savings but intended to fund the CEFA Series 2010B principal payment due October 1, 2015.

Refunding		**$30,025,000**
The CEFA Series 2010B bonds were originally issued as a five-year term bond in March of 2010, in the amount of $38,500,000. Bond proceeds were used simultaneously with the issuance of the CEFA Series 2010A bonds to refund the outstanding principal amount of the CEFA Series 2008 bonds and pay costs of issuance related to the financing. This refunding assisted LMU in restructuring their debt to a more stable interest rate structure and to remove credit enhancement on their existing CEFA bonds.		
CEFA Series 2008 bonds refinanced and converted CEFA Series 2001B and CEFA Series 2004 bonds from auction rate securities to variable rate demand bonds.		
Financing Costs		**158,340**
Accrued Interest	$ 8,340	
Cost of Issuance	150,000	
Contingency*		**816,660**
TOTAL USES OF FUNDS		***$31,000,000***

* LMU intends to pay Costs of Issuance and Accrued Interest to closing on the Series 2010B Bonds out of its own equity and only intends to issue up to amount outstanding.

II. GUIDELINES DISCUSSION:

Loyola Marymount University Series 2015 Bonds (the "Bonds") will be an unrated, direct bank placement with Wells Fargo Municipal Capital Strategies, LLC ("Wells Fargo"). The following guidelines have been applied to this financing:

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

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

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

III. FINANCIAL ANALYSIS:

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

	Fiscal Year Ended May 31,		
	2014	2013	2012
Operating Revenues:			
Net tuition and fees	$ 251,728	$ 245,661	$ 236,484
Investment returns designated for operations	9,990	9,651	10,710
Contributions and pledges	9,498	9,421	10,525
Grants	8,442	8,110	7,143
Auxiliary enterprise revenue	42,004	38,333	35,811
Other revenue	6,919	7,562	7,173
Net assets released from restrictions	9,214	8,548	8,798
Total operating revenues	337,795	327,286	316,644
Operating Expenses:			
Instruction	129,902	126,863	$ 121,794
Research	6,690	6,254	5,401
Academic support	32,943	31,711	29,303
Library	13,729	13,286	12,669
Student services	55,611	54,651	54,712
Institutional support	52,886	54,408	55,183
Auxiliary enterprises	27,812	26,479	25,099
Total operating expenses	319,573	313,652	304,161
Increase in operating net assets	18,222	13,634	12,483
Non-operating Revenues and Expenses:			
Contributions for non-operating purposes	15	73	67
Contributions for acquisition of capital assets	239	346	656
Investment returns (losses) after amounts designated for current operations	9,722	18,183	(19,050)
Loss on early extinguishment of debt	-	-	(1,034)
Net realized and unrealized (losses) gains on interest rate swap	(368)	837	(4,640)
Other non-operating (expenses) income	(380)	61	(284)
Net assets released from restriction	540	12,950	1,513
Donor redesignations	(116)	(115)	693
	9,652	32,335	(22,079)
Change in Unrestricted Net Assets	27,874	45,969	(9,596)
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	582,321	536,352	545,948
UNRESTRICTED NET ASSETS, END OF YEAR	$ 610,195	$ 582,321	$ 536,352

Loyola Marymount University

Statement of Financial Position ($000s)

	As of May 31,		
	2014	2013	2012
ASSETS:			
Cash and cash equivalents	$ 34,511	$ 27,906	$ 12,061
Accounts receivable, tuition and fees	4,802	5,424	4,318
Other	29,981	29,527	27,621
Pledges receivable, net	17,681	16,171	23,448
Notes receivable	39,202	39,146	40,041
Investments	505,074	456,582	404,181
Prepaid expenses, deferred charges and other assets	9,469	8,535	-
Assets whose use is limited by bond indentures	14,549	30,820	8,539
Plant properties, net	577,817	550,429	545,330
Total assets	$ 1,233,086	$ 1,164,540	$ 1,065,539
LIABILITIES AND NET ASSETS:			
Accrued payroll expense	$ 10,610	$ 10,425	$ 9,303
Accounts payable and accrued expenses	42,502	36,183	31,872
Accrued interest expense	42,956	38,548	34,360
Deferred revenue and deposits	15,959	16,210	15,190
Debt outstanding, net	182,919	193,879	168,139
Loan funds returnable to donor	1,202	1,152	1,152
U.S. government grants refundable	10,819	10,780	10,785
Annuity liabilities and assets held for others	1,970	3,851	4,081
Total liabilities	308,937	311,028	274,882
NET ASSETS:			
Unrestricted	610,195	582,321	536,352
Temporarily restricted	136,043	101,471	89,110
Permanently restricted	177,911	169,720	165,195
TOTAL NET ASSETS	924,149	853,512	790,657
TOTAL LIABILITIES AND NET ASSETS	$ 1,233,086	$ 1,164,540	$ 1,065,539

Financial Ratios

	Proforma FYE 5/31/15(a)	2014	2013	2012
Debt service coverage (x)	3.39	3.41	3.20	1.11
Debt to expendable net assets (x)	0.29	0.30	0.34	0.32
Expendable net assets to operations (x)		2.34	2.18	2.06
Margin		6%	4%	4%

(a) Recalculates FY 2015 results to include the impact of this proposed financing.

Financial Discussion:

LMU has posted positive operating results over the three-year review period, supported by steady growth in tuition revenue and strong investment returns.

LMU has posted positive operating results over the three-year review period. Total unrestricted revenues increased from approximately $316.6 million in FY 2012 to approximately $337.8 million in FY 2014, a steady increase of approximately 7%. According to LMU, this revenue growth is primarily driven by strong investment returns, steady growth in tuition revenues, and increased auxiliary enterprise revenue generated from a new parking structure. Together these sources represent approximately 90% of LMU's total unrestricted revenues.

Prudent expense management has helped LMU minimize growth in operating expenses, increasing 5% from approximately $304.1 million in FY 2012 to approximately $319.5 million in FY 2014. LMU reports that all expenditures are thoroughly evaluated in order to identify savings and possibly redirection of funds into strategic uses. LMU reports that incurred actual expenses fell below FY 2013 and FY 2014 budgets which allowed some funds to be redeployed to financial aid. LMU reports that with continued expense management, LMU was able to garner higher operating margins and operating cash flow.

LMU's financial strength is sound, posting approximately $924 million in total net assets with good debt service coverage levels over the past three years.

Cash and cash equivalents grew dramatically over the review period, increasing from approximately $12.0 million in FY 2012 to approximately $34.5 million in FY 2014. LMU reports these increases are primarily due to LMU intentionally leaving increased assets in cash to offset higher bank fees, reimbursement of expenses from the taxable CEFA 2013A bonds for their science building garage, and a material cash gift to be used for the new science building. Overall, LMU reports they are striving to maintain higher short term liquidity balances in order to support ongoing operations and also to mitigate the risk of banks offering less liquidity support due to Dodd Frank regulations.

LMU's investment assets increased approximately 25%, from approximately $404.1 million in FY 2012 to $505 million in FY 2014. LMU reports that this increase is mostly driven by strong investment returns in its endowment pool. Overall, LMU's total net asset levels reflect continued growth with total net assets increasing from $790.6 million in FY 2012 to $924.1 million in FY 2014, nearly a 17% increase. LMU reports the key reasons for the growth are due to healthy operating surpluses each year, strong investment returns, and new endowed contributions resulting from a successful scholarship initiative.

Debt to expendable net assets ratio has remained at a three-year average of just over 0.32x. LMU's debt service coverage ratio was at a solid 3.41x for FY 2014. With the addition of the proposed Series 2015 Bonds, the proforma debt service coverage ratio drops slightly to an acceptable 3.39x, indicating LMU's continued ability to support the additional debt.

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. The official founding of LMU as an institution took place in 1911. 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 50 members serving three-year terms governs LMU. 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 60 baccalaureate programs; 38 Master's programs; 2 doctoral degrees – in educational leadership and social justice and the other a juris doctorate; more than a dozen primary and secondary education credential programs, and an aerospace studies program leading to a commission in the United States Air Force. LMU also offers continuing education and summer session courses.

V. OUTSTANDING DEBT:

Issue:	Original Issue Amount	Amount Outstanding as of 5/31/2014	Estimated Amount Outstanding After Proposed Financing*
Existing Debt:			
CEFA, Series 2001A	$ 75,449,126	$ 40,234,000	$ 38,165,288
CEFA, Series 2010A	65,185,000	55,700,000	53,050,000
CEFA, Series 2010B	38,500,000	31,450,000	-
CEFA, Series 2011	22,105,000	12,635,000	11,545,000
CEFA, Series 2013 (taxable)	37,000,000	36,295,000	35,565,000
Proposed:			
CEFA, Series 2015			**30,025,000**
Total		$ 176,314,000	$ 168,350,288

*Utilizes amounts outstanding after financing.

VI. DUE DILIGENCE:

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

- Religious Due Diligence
- Legal Review
- Compliance with Section 94212(b) of the Education Code – California Environmental Quality Act (Not applicable to refunding)
- Iran Contracting Act (Not applicable to refunding)

VII. STAFF RECOMMENDATION:

Staff recommends the Authority approve Resolution No. 302 in an amount not to exceed $31,000,000 for Loyola Marymount University as an unrated Direct Bank Placement. Macias Gini & O'Connell LLP, the Authority's financial analyst, and Fieldman, Rolapp & Associates, Inc., 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:	Fieldman, Rolapp & Associates, Inc.
Issuer's Financial Analyst:	Macias Gini & O'Connell LLP
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Borrower's Financial Advisor:	Public Financial Management, Inc.
Borrower's Counsel:	Bridges & Bridges
Auditor:	PricewaterhouseCoopers
Direct Purchase Bank:	Wells Fargo Bank N.A. and/or Wells Fargo Municipal Capital Strategies, LLC
Direct Purchase Bank Counsel:	Chapman and Cutler LLP
Trustee:	U.S. Bank, N.A.
Trustee Counsel:	Dorsey & Whitney, LLP

RESOLUTION NO. 302

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

May 28, 2015

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 Authority has previously issued its California Educational Facilities Authority Variable Rate Refunding Revenue Bonds (Loyola Marymount University) Series 2010B (the “Prior Bonds”) in the aggregate principal amount of $38,500,000, of which $30,025,000 currently is outstanding, and made a loan (the “Prior Loan”) of the proceeds thereof to the Borrower to finance or refinance the acquisition or construction of projects, as more particularly described under the caption “Prior Project” in Exhibit A hereto (the “Prior Project”);

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 $31,000,000 and apply the proceeds thereof (i) to refund all of the outstanding Prior Bonds, (ii) to make a loan of the proceeds of the Bonds (as defined below) to the Borrower to refinance the Prior Loan, and (iii) to pay costs of issuance of 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 Prior 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 Variable Rate Refunding Revenue Bonds (Loyola Marymount University), Series 2015" (the "Bonds"), in a total aggregate principal amount not to exceed $31,000,000, 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 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"); and

(c) the Bond Purchase Agreement relating to the Bonds (the "Bond Purchase Agreement"), among Wells Fargo Municipal Capital Strategies, LLC, as initial purchaser (the "Purchaser"), the Authority and the Borrower;

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

Section 6. Each officer of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things which they may deem necessary or advisable in order to consummate the issuance and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution, the Indenture, the Bond Purchase Agreement and the Loan Agreement. 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 7. The provisions of the Authority's Resolution No. 2014-03 apply to the documents and actions approved in this Resolution.

Section 8. The Authority hereby approves and ratifies each and every action taken by its officers, agents and employees prior to the date hereof in furtherance of the purposes of this Resolution.

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

Date of Adoption: _______________

EXHIBIT A

Prior Project

The Prior Project means the following financed and refinanced projects:

2010 Project

The facilities of the Borrower and related appurtenant facilities on the Borrower's Westchester Campus, located at One LMU Drive, Los Angeles, California, and includes the contiguous Leavy Campus (the "Westchester Campus") to be financed as described below are collectively referred to and defined as the "2010 Project":

(1) The repurposing of the old Von der Ahe Library, located on the Westchester Campus into a Campus Center (the "Repurposing"). The Repurposing will require interior demolition and major renovation of the approximately 94,000 square foot building. The scope of the Repurposing consists of, but is not limited to, some site work, demolition, building shell & exterior developments, interior improvements, equipment & millwork, enhanced vertical transportation (elevators, stairs), substantial rework of HVAC and mechanical systems, electrical upgrades, allowance for utilities, ADA compliance, and fire protection systems.

(2) Improvements to various existing campus facilities (the "Improvements"). The Improvements will consist of, but are not limited to, fire life safety, various interior tenant improvements, ADA restroom and accessibility upgrades, energy and mechanical improvements and seismic upgrades, provided that none of the improvements constitute a project as defined by the California Environmental Quality Act.

2008 Project

The facilities of the Borrower and related and appurtenant facilities on the Westchester Campus and on the Loyola Law School Campus (the "Law School Campus") to be refinanced as described below are collectively referred to and defined as the "2008 Project":

(1) The construction and equipping of two student apartment buildings, each housing approximately 180 students at the Westchester Campus;

(2) The construction of the Lincoln Boulevard Gate and related landscaping at the Westchester Campus;

(3) The construction and equipping of the Operations and Maintenance Building at the Westchester Campus;

(4) The construction, improvement, renovation and equipping of the Burns Fine Arts Center, Communication Arts Building, Daum Hall, Day Care Center, Distribution Center, Foley Center, Gersten Pavilion, Hilton Business Center, Leavey Center, Loyola Apartments, Malone Center, North Hall, Seaver Hall, South Hall, St. Robert's Hall, University Hall, and Von der Ahe Library located on the Westchester Campus;

(5) The acquisition and installation of technology equipment and software in facilities located on the Westchester Campus;

(6) The improvement, renovation and remodeling of the Burns Building, Casassa Building, Donovan Hall, Founder's Hall, Hall of the 70's, Merrifield Hall and Rains Library and the parking structure on the Law School Campus;

(7) The renovation of the Valencia Gate and related landscaping at the Law School Campus;

(8) The acquisition and installation of technology equipment and software in facilities located on the Law School Campus;

(9) The acquisition, construction, expansion, rehabilitation, remodeling, renovation, and equipping of one student apartment building, housing approximately 400 students, at the Westchester Campus; and

(10) The acquisition, construction, expansion, rehabilitation, remodeling, renovation, and equipping of one student apartment building, housing approximately 178 students, at the Westchester Campus, including the demolition of the existing Loyola Apartments on the site thereof.

<u>1997 Project</u>

The facilities of the Borrower and related and appurtenant facilities on the Westchester Campus and on the Law School Campus to be refinanced as described below are collectively referred to and defined as the "1997 Project":

<u>On the Westchester Campus</u>: acquisition and development of Leavey Campus; acquisition prior to 1983 and subsequent renovation of Barcelona Apartments; construction prior to 1983 of Hannon Apartments; renovation of St. Robert's Hall, Loyola Apartments, Alumni Mall, and the Lair and the Terrace Room in Malone Building; construction of Doheny Student Dormitory, Pereira Engineering Building addition, Gersten Athletic Pavilion, Manchester West Apartments, Olympic Plaza, Physical Plant, and baseball stadium; expansion of Controller's Office; replacement of plumbing in Hannon Student Apartments; acquisition of computer mainframe and other computers and ancillary equipment and software, and furniture and equipment; and the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of other general educational facilities;

<u>On the Law School Campus</u>: renovation of HVAC system in and equipping of Law School Library; and the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of other general educational facilities;

<u>On the Westchester Campus</u>: construction of a three-story building for the College of Business; renovation of the following existing structures: St. Robert Bellarmine Hall, Malone Center, and Seaver Hall; and the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of other general educational facilities;

On the Westchester/Leavey Campus: construction of a dormitory to accommodate approximately 325 students; construction of a 900-car parking structure; infrastructure such as roadways, utilities, and sidewalks; and the acquisition, construction and equipping of other general educational facilities;

On the Law School Campus: demolition of the existing Loyola Law School Parking Garage on Albany Street; the construction on the same site of an approximately eight-story (several stories of which will be below ground) parking structure to accommodate approximately 900 cars together with related electrical improvements; and the acquisition, construction, expansion, rehabilitation, remodeling, renovation, and equipping of other general educational facilities; and/or, such alternative or additional educational facilities as may be approved in writing by the Executive Director, Acting Executive Director, the Chairman or a deputy to the Chairman of the Authority accompanied by an Opinion of Bond Counsel to the effect that inclusion of such alternative or additional facilities will not cause the interest on the Bonds to be included in federal gross income of the Bondholders for federal income tax purposes.