

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY  
BOND FINANCING PROGRAM  
EXECUTIVE SUMMARY**

<p><b>Applicant:</b> Loyola Marymount University (“LMU”) One LMU Drive Los Angeles, CA 90045-2659 Los Angeles County</p> <p><b>Facility Type:</b> Private University</p> <p><b>Project Location:</b> Los Angeles, CA</p> <p><b>Accreditations:</b> Western Association of Schools and Colleges</p>	<p><b>Amount Requested:</b> \$65,000,000</p> <p><b>Date Requested:</b> August 29, 2019</p> <p><b>Resolution Number:</b> 324</p>																
<p><b>Use of Proceeds:</b> Bond proceeds will be used to refund the outstanding CEFA Series 2010A and Series 2015 Bonds. The refunding of these bonds is expected to provide LMU with a net present value savings of approximately \$12.8 million, or 24.3% under current market conditions.</p>																	
<p><b>Type of Issue:</b> Tax-exempt fixed rate, negotiated public offering</p> <p><b>Expected Credit Rating:</b> A2 (Moody’s)</p> <p><b>Financing Team:</b> <i>Please see Exhibit 1 to identify possible conflicts of interest</i></p>																	
<p><b>Financial Overview:</b> LMU’s income statement appears to reflect positive operating results over the review period. LMU appears to have a strong balance sheet, with a pro-forma operating debt service coverage ratio of 2.54x.</p>																	
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<p><b>Due Diligence:</b> Staff has received and reviewed the Eligibility, Legal Status Review, Religious Affiliation, CEQA documentation and the certification for the Iran Contracting Act. All documentation satisfies the Authority’s requirements.</p>																	
<p><b>Staff Recommendation:</b> Staff recommends the Authority approve Resolution Number 324 for Loyola Marymount University in an amount not to exceed \$65,000,000 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 municipal advisor, concur with the Authority’s staff recommendation.</p>																	

**STAFF SUMMARY AND RECOMMENDATION**

**Loyola Marymount University (“LMU”)**

August 29, 2019

Resolution No. 324

**I. PURPOSE OF FINANCING:**

LMU intends to issue tax-exempt bonds to refund all or a portion of its outstanding CEFA Series 2010A and Series 2015 Bonds to take advantage of attractive market conditions. The refunding is expected to create an overall net present value savings of approximately \$12.8 million, or 24.3% over the life of the bonds. In addition, bond proceeds will also be used to pay the costs of issuance for the Series 2019 Bonds.

**Refunding Prior Bonds ..... \$65,458,137**

CEFA Series 2010A Bonds and CEFA Series 2015 Bonds

The CEFA Series 2010A Bonds were originally used to finance the repurposing, improvement, renovation, and conversion of a campus library and to finance certain seismic and safety improvements and upgrades to other administrative and academic educational facilities. In addition to capital improvements, the Series 2010A Bonds refinanced the outstanding CEFA Series 1997 Bonds. The CEFA Series 2015 Bonds were originally used to refund the CEFA Series 2010B variable rate bonds.

**Financing Costs..... 540,885**

Cost of Issuance .....\$340,522

Underwriter’s Discount .....200,363

***TOTAL ESTIMATED USES OF FUNDS..... \$65,999,022***

## 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 proposals 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, 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 Revenue<sup>1</sup> 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.*
- ✓ **Maintenance of Corporate Existence.** *Borrower agrees to maintain its existence as a California nonprofit public benefit corporation and will not dissolve, sell, or dispose of all or substantially all assets or consolidate with or merge into another corporation, or allow another corporation to consolidate with or merge into it, 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, defeasances, redemptions, etc.*

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

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<sup>1</sup> Capitalized terms defined in the Indenture.

### III. FINANCIAL ANALYSIS:

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

	As of May 31,		
	2018	2017	2016
<b>Operating Revenues:</b>			
Net tuition and fees	\$ 281,807	\$ 265,983	\$ 256,486
Investment returns designated for operations	17,459	19,926	16,426
Contributions and pledges	11,830	9,451	7,754
Grants	11,011	11,114	9,209
Auxiliary enterprise revenue	46,572	44,233	44,217
Other revenue	10,537	9,493	8,995
Net assets released from restrictions	11,509	12,565	11,366
Total operating revenues	<u>390,725</u>	<u>372,765</u>	<u>354,453</u>
<b>Operating Expenses:</b>			
Instruction	150,335	145,476	140,814
Research	6,353	6,084	6,858
Academic support	38,163	35,999	35,761
Library	14,877	14,444	14,329
Student services	64,620	62,673	61,662
Institutional support	61,030	61,682	56,839
Auxiliary enterprises	35,445	34,084	33,698
Total operating expenses	<u>370,823</u>	<u>360,442</u>	<u>349,961</u>
Increase in operating net assets	19,902	12,323	4,492
<b>Non-operating Revenues and Expenses:</b>			
Contributions for non-operating purposes	257	7	6
Contributions for acquisition of capital assets	347	550	1,534
Investment returns (losses) after amounts designated for current operations	(8,538)	(6,719)	(30,854)
Net realized and unrealized (losses) gains on interest rate swap	871	462	(1,458)
Other non-operating (expenses) income	1,569	1,065	(250)
Net assets released from restriction	2,418	3,777	35,594
Donor redesignations	(542)	(954)	(205)
Non-operating revenues (expenses), net	<u>(3,618)</u>	<u>(1,812)</u>	<u>4,367</u>
Increase in net assets	16,284	10,511	8,859
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	<u>621,502</u>	<u>610,991</u>	<u>602,132</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$ 637,786</u>	<u>\$ 621,502</u>	<u>\$ 610,991</u>

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

	As of May 31,		
	2018	2017	2016
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 44,024	\$ 46,854	\$ 29,807
Accounts receivable			
Tuition and fees	4,084	3,300	3,270
Other	13,347	14,792	18,990
Pledges receivable, net	25,381	16,839	18,883
Notes receivable	35,343	36,315	39,630
Investments	546,537	505,887	459,637
Prepaid expenses, deferred charges and other assets	8,193	7,211	6,996
Assets whose use is limited by bond indentures	-	-	1,010
Plant properties, net	635,396	633,913	641,665
Total assets	<u>\$ 1,312,305</u>	<u>\$ 1,265,111</u>	<u>\$ 1,219,888</u>
<b>LIABILITIES AND NET ASSETS:</b>			
Accrued payroll expense	\$ 14,163	\$ 13,166	\$ 12,129
Accounts payable and accrued expenses	45,854	44,530	40,459
Accrued interest expense	52,146	50,179	48,026
Deferred revenue and deposits	25,428	23,439	20,769
Debt outstanding, net	147,100	156,695	166,070
Loan funds returnable to donor	1,170	1,169	1,264
U.S. government grants refundable	9,357	10,531	10,531
Annuity liabilities and assets held for others	3,104	3,003	2,719
Total liabilities	<u>298,322</u>	<u>302,712</u>	<u>301,967</u>
<b>NET ASSETS:</b>			
Unrestricted	637,786	621,502	610,991
Temporarily restricted	167,264	136,136	108,004
Permanently restricted	208,933	204,761	198,926
<b>TOTAL NET ASSETS</b>	<u>1,013,983</u>	<u>962,399</u>	<u>917,921</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,312,305</u>	<u>\$ 1,265,111</u>	<u>\$ 1,219,888</u>

Financial Ratios

	<b>Proforma</b>	2018	2017	2016
	<b>FYE 5/31/18<sup>(a)(b)</sup></b>			
Debt service coverage (x) - Operating	2.54	3.36	2.90	2.39
Debt service coverage (x) - Net Assets	2.38	3.15	2.79	2.65
Debt to expendable net assets (x)	0.34	0.18	0.21	0.23
Expendable net assets to operations (x)		2.17	2.10	2.05
Margin (%)		5.09	3.31	1.27

<sup>(a)</sup> Recalculates FY 2018 results to include the impact of this proposed financing.

<sup>(b)</sup> Includes CEFA Series 2018A and 2018B Bonds, which were approved at the September 2018 CEFA board meeting.

## **Financial Discussion:**

### **LMU's income statement appears to reflect positive operating results over the review period.**

LMU posted increasing operating margins over the review period, rising from approximately 1.3% in FY 2016 to just under 5.1% in FY 2018, indicating a consistent ability to generate net operating surplus. The growth in margins can be partially credited to revenues growing at a rate faster than expenses, with revenues increasing by 10.2% from FY 2016 to FY 2018 and expenses growing at a slightly slower rate of 6%. Tuition and fee revenues grew by 9.9% from just under \$256.5 million in FY 2016 to approximately \$281.8 million in FY 2018, which largely contributed to the increasing revenues. LMU management explains that the healthy operating results are a product of a carefully planned budget designed to result in comprehensive cost-containment efforts and strategic planning. LMU's expendable net assets to operations ratio was 2.17x in FY 2018, indicating a reliable ability to pay expenses with unrestricted and temporarily restricted net assets.

### **LMU appears to have a strong balance sheet, with a pro-forma operating debt service coverage ratio of 2.54x.**

LMU's balance sheet appears to demonstrate a strong ability to service its debt, displaying an operating debt service coverage ratio of 3.36x for FY 2018. Including the proposed CEFA Series 2019 Bonds and the CEFA Series 2018A and 2018B Bonds, which were issued after fiscal year-end 2018, the pro-forma debt service coverage ratio remains a solid 2.54x, indicating LMU's reliability to support the proposed debt. LMU's debt to expendable net assets ratio was 0.18x in FY 2018, with expendable net assets growing from approximately \$719 million in FY 2016 to just under \$805.1 million in FY 2018.

LMU's indicators of financial liquidity and healthy long-term investments appear to be strong, displaying steadily increasing cash and cash equivalents over the review period, which notably grew from approximately \$29.8 million in FY 2016 to just over \$44 million in FY 2018. Investments have also grown, increasing from approximately \$459.6 million in FY 2016 to approximately \$546.5 million in FY 2018, an overall increase of 18.9%. LMU explains that strong long-term returns have led to strong financial support for university operations, faculty programs, and student scholarships.

#### **IV. BACKGROUND:**

##### **General:**

Located in the city of Los Angeles, LMU is a nonprofit, coeducational, privately endowed university emphasizing undergraduate liberal arts as well as a professional and graduate education program. 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. There are 46 members of the Board of Trustees as of July 1, 2019. 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, 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 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, Education and 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 61 baccalaureate programs, 49 Master's programs, three doctoral degrees, and 13 state-regulated credential or authorization programs. LMU also offers continuing education and summer session courses.

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

	<u>Original Issue Amount</u>	<u>Amount Outstanding as of 5/31/2018*</u>	<u>Estimated Amount Outstanding After Proposed Financing</u>
<b>Existing Debt:</b>			
CEFA, Series 2001A	\$ 75,449	\$ 32,294	\$ 32,294
CEFA, Series 2010A	65,185	44,010	2,900
CEFA, Series 2011	22,105	8,010	8,010
CEFA, Series 2013A	37,000	33,330	33,330
CEFA, Series 2015	30,025	26,825	-
CEFA, Series 2018A	29,210	29,210	29,210
CEFA, Series 2018B	57,330	57,330	57,330
<b>Proposed:</b>			
<b>CEFA, Series 2019</b>			<b>65,000</b>
Total		<u>\$ 231,009</u>	<u>\$ 228,074</u>

\*Includes CEFA Series 2018A and 2018B Bonds, which were approved at the September 2018 CEFA board meeting.

## VI. DUE DILIGENCE:

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

- Eligibility
- Religious Affiliation
- Legal Status Review
- California Environmental Quality Act (CEQA) – in compliance with Education Code Section 94212(b)
- Iran Contracting Act Certificate

## VII. STAFF RECOMENDATION:

Staff recommends the Authority approve Resolution No. 324 in an amount not to exceed \$65,000,000 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 municipal 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: Office of the Attorney General

Issuer's Municipal Advisor: KNN Public Finance, LLC

Issuer's Financial Analyst: TAP International, Inc.

Borrower's Municipal Advisor: PFM Financial Advisors LLC

Borrower's Counsel: Bridges & Bridges

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP

Senior Managing Underwriter: Morgan Stanley & Co. LLC

Co-Managing Underwriter: BofA Securities, Inc.

Underwriter's Counsel: Hawkins Delafield & Wood LLP

Trustee: U.S. Bank National Association

Trustee's Counsel: Dorsey & Whitney LLP

Rating Agency: Moody's Investors Service, Inc.

Auditor: PricewaterhouseCoopers LLP

## RESOLUTION NO. 324

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

August 29, 2019

**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 Revenue Bonds (Loyola Marymount University), Series 2010A (the “Series 2010A Bonds”), in the aggregate principal amount of \$65,185,000, of which \$41,130,000 currently is outstanding, and made a loan of the proceeds thereof to the Borrower to finance and refinance the construction, expansion, rehabilitation, renovation, remodeling, furnishing and equipping of certain educational facilities, as more particularly described under the caption “Prior Project” in Exhibit A hereto (the “Prior Project”); and

**WHEREAS**, the Authority has previously issued its Variable Rate Refunding Revenue Bonds (Loyola Marymount University), Series 2015 (the “Series 2015 Bonds” and, together with the Series 2010A Bonds, the “Prior Bonds”), in the aggregate principal amount of \$30,025,000, of which \$25,675,000 currently is outstanding, and made a loan of the proceeds thereof to the Borrower to refinance the Prior Project; and

**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 \$65 million, to (i) make one or more loans of the proceeds of the Bonds (as defined below) to the Borrower to refund all or a portion of the Prior Bonds, and (ii) pay costs of issuance of the Bonds; and

**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 Revenue Bonds (Loyola Marymount University), Series 2019” (the “Bonds”), in a total aggregate principal amount not to exceed \$65 million, 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 fifth 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 Purchase Agreement, including the appendices thereto, relating to the Bonds (the “Purchase Agreement”), among Morgan Stanley & Co. LLC (the “Representative”) as representative of itself and BofA Securities, Inc. (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 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, 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. 2018-01 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**

### **Prior Project**

The Prior Project means the acquisition, construction, expansion, rehabilitation, renovation, remodeling, furnishing and/or equipping of residence halls, apartments, parking structures, classrooms, libraries, other educational facilities and infrastructure improvements at (i) the Borrower's Westchester Campus at One LMU Drive, Los Angeles, California 90045, generally bounded by McConnell Avenue to the East, West 78th and West 80th Streets to the South, Lincoln Boulevard to the West and Bluff Creek Drive to the North and (ii) the Borrower's Law School Campus at 919 Albany Street, Los Angeles, California 90015, generally bounded by Albany Street to the East, Olympic Boulevard to the South, Valencia Street to the West and James M. Wood Boulevard to the North, all of which educational facilities are owned and operated by the Borrower.