

**CHFFA REVENUE BOND FINANCING PROGRAM
EXECUTIVE SUMMARY**

<p>Applicant: Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center (“LA BioMed”) 1124 W. Carson Street Torrance, CA 90502 Los Angeles County</p> <p>Project Sites: 1124 W. Carson Street Torrance, CA 90502, Los Angeles County</p> <p>Facility Type: Medical and Scientific Research Center</p> <p>Eligibility: Health Facility pursuant to Government Code Section 15432(d)(20)</p> <p>Prior Borrower: No</p>	<p>Amount Requested: \$60,000,000</p> <p>Requested Loan Term: Up to 30 years</p> <p>Authority Meeting Date: July 26, 2018</p> <p>Resolution Number: 433</p>
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Background: LA BioMed is a non-profit research facility affiliated with Harbor-UCLA Medical Center and located in Torrance, CA. LA BioMed was formed in 1952 by clinicians, scientists and educators at the Harbor-UCLA Medical Center, along with members of the community, in order to facilitate and manage research and education endeavors. Its vision is to advance new therapies and improve patient outcomes by engaging in cutting-edge research. LA BioMed is focused on translating the laboratory-based biomedical research its researchers conduct into discoveries that can become real-world treatments and cures.

Use of Proceeds: Bond proceeds will be used to finance, refinance, and/or reimburse various capital improvements on LA BioMed’s campus including the new biological resources center and research tower.

Type of Issue: Negotiated public offering with fixed rate bonds (Minimum denominations of \$5,000 or any integral multiple thereof)

Expected Credit Rating: Baa1 (Moody’s Investors Service, Inc.)

Financing Team: *Please see Exhibit 1 to identify possible conflicts of interest*

Financial Overview: LA BioMed’s income statement appears to exhibit fluctuating operating results during the review period. LA BioMed appears to have a solid financial position with a pro-forma debt service coverage ratio from net income of 3.99x.

<u>Estimated Sources of Funds:</u>		<u>Estimated Uses of Funds:</u>	
Par amount of bonds	\$ 60,000,000	Project Fund	\$ 50,783,192
Premium	6,483,192	EB-5 Reserve Account Funding	14,500,000
		Financing Costs	1,200,000
Total Estimated Sources	\$ 66,483,192	Total Estimated Uses	\$ 66,483,192

Due Diligence: Staff has received and reviewed the Eligibility, Legal Review, Religious Due Diligence, Savings Pass Through, Seismic, and CEQA documentation, Community Service Obligation, and the Iran Contracting Act Certification documentation. All documentation satisfies the Authority’s requirements.

Staff Recommendation: Staff recommends the Authority approve Resolution Number 433 for Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center in an amount not to exceed \$60,000,000 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, the Authority’s financial advisor, concur with the Authority’s staff recommendation.

I. PURPOSE OF FINANCING:

LA BioMed intends to use bond proceeds to finance, refinance, and/or reimburse costs for the development of the extensive multi-phase campus expansion of its research institute. LA BioMed presently occupies five research buildings on an 11.4-acre site located on the south-central portion of the 72-acre Harbor-UCLA Medical Center campus. Historically, LA BioMed’s programs were housed in scattered WWII-era buildings throughout the central portion of the campus. Starting in 2010, LA BioMed embarked on an ambitious campaign to vacate its old structures and consolidate all of its research and support functions into a modern space on an integrated, interactive, and attractive campus. LA BioMed plans to accomplish the consolidation and the redevelopment of its campus by demolishing three buildings within its existing campus, constructing two new buildings, and renovating one existing building.

***Project Fund* \$50,783,192**

The construction of a new multi-story research tower, renovation of an existing building, and the demolition of three existing buildings previously used for biomedical research and support activities was completed in March 2016. Partial bond proceeds may be used for reimbursements on eligible expenditures.

The demolition of the three buildings cleared room for the cornerstone of LA BioMed’s campus development, a four-level, approximately 76,000 square foot biomedical research facility. The new facility is being developed in furtherance of LA BioMed’s priorities of building on and promoting cutting edge research and collaboration, providing advanced equipment and core facilities, and attracting and retaining promising new and experienced scientists. Construction on the new facility began in June 2017 and according to LA BioMed’s management, the Institute’s scientists and investigators will begin occupying the new facility in February 2019.

In December 2017, LA BioMed entered into a construction loan from Banc of California to provide interim financing for the project. Partial bonds proceeds may pay of potential draws on the construction loan.

***EB-5 Reserve Account Funding* 14,500,000**

LA BioMed obtained an EB-5¹ loan in the maximum principal amount of \$14.5 million to provide additional interim funding for the project. A portion of the proceeds of the Series 2018 Bonds in an amount equal to the then-outstanding principal balance of the EB-5 Loan, plus accrued but unpaid interest and interest to accrue thereon through 2022 will be held in a segregated account for the benefit of the EB-5 lenders. The EB-5 Loan will remain outstanding through 2022 but all related liens on any LA BioMed property, other than the pledged account, will be released.

***Financing Costs* 1,200,000**

- Estimated Cost of Issuance..... \$675,000
- Estimated Underwriter’s discount 525,000

***Total Estimated Uses of Funds* \$66,483,192**

¹ A United States government program, which facilitates foreign investors to invest in certain projects in exchange for lawful residence in the United States under the EB-5 program.

II. PROPOSED COVENANTS, SECURITY PROVISIONS 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. These covenants cannot be diluted or removed without subsequent review. If there has been modification to the covenants proposal following preparation of this Executive Summary, staff will report it at the meeting.

After reviewing LA BioMed's credit profile, including its current financial profile and current market precedent, LA BioMed, KNN Public Finance, LLC, ("KNN"), and the underwriter of the proposed bonds have concluded that the covenants listed below should be applicable to this transaction. LA BioMed, KNN, and the underwriter note that the current financial situation of LA BioMed does not suggest that additional covenants should be required by the Authority.

The covenants listed below are applicable to this transaction.

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 Revenues 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.*

Pledge of Gross Revenues. *Borrower pledges all revenues, income, receipts and money received.*

Limited Permitted Encumbrances. *Borrower is subject to a restrictive set of allowable encumbrances it may incur pursuant to the Loan Agreement.*

Debt Service Coverage Requirement. *Each fiscal year, Borrower agrees to produce net income available for debt service equal to at least 1.10 times maximum aggregate annual debt service. This ratio measures the Borrower's ability to make interest and principal payments as they become due by assessing the amount of revenue available to meet debt service payments.*

Additional Debt Limitation. *Borrower agrees not to incur additional Indebtedness unless authorized by the Loan Agreement.*

Disposition of Cash and Property Limitations. *Borrower agrees not to sell, lease or dispose of substantially all assets unless authorized by the Loan Agreement.*

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

III. FINANCIAL STATEMENTS AND ANALYSIS:

Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center
Statement of Activities
Income Statement (In Thousands)
(Unrestricted)

	As of June 30,		
	2017	2016	2015
Operating Revenue:			
Support and Revenue			
Grant and contract revenue earned	\$ 55,789	\$ 52,338	\$ 51,051
Donations	3,495	3,539	7,319
Service billings	1,778	1,915	1,266
Interest and investment income earned	213	535	440
Membership dues	39	16	68
Rental income	5	36	112
Royalty income	36,188	12,252	12,504
Release of temporarily restricted net assets	776	643	318
Total Support and Revenue	<u>98,283</u>	<u>71,274</u>	<u>73,078</u>
Operating Expenses:			
Expenses			
Salaries and wages	39,732	38,084	37,536
Employee benefits and taxes	12,036	11,239	10,617
Supplies and services	10,398	7,934	9,526
Travel	1,643	1,540	1,309
Fellowships	179	74	195
Human subjects	394	401	313
Patient costs	21	39	80
Consultant and lecture costs	412	499	524
Subcontracts	2,551	1,431	1,372
Legal and accounting	625	686	821
Insurance	773	649	662
Occupancy and equipment, rental costs	3,850	3,937	3,245
Repairs and maintenance	1,937	1,974	1,543
Testing	73	88	63
Royalty distribution	2842	2680	4119
Interest	867	927	874
Bad Debt	16	16	24
Adjustment for excess drawdowns	-	-	1,444
Depreciation and amortization	3,936	3,148	3,243
Total Expenses	<u>82,285</u>	<u>75,346</u>	<u>77,510</u>
Change in net assets from operating activities	<u>15,998</u>	<u>(4,072)</u>	<u>(4,432)</u>
Nonoperating income			
Investment gains (losses)	928	(1,230)	247
Gain on disposal of property	55	1,737	-
Change in fair value of interest rate swap agreement	202	232	230
Change in net assets from nonoperating activities	<u>1,185</u>	<u>739</u>	<u>477</u>
Changes in net assets before			
Postretirement health benefits plan-related changes	17,183	(3,333)	(3,955)
Postretirement health benefits plan-related changes	<u>757</u>	<u>(220)</u>	<u>(265)</u>
Changes in net assets	17,940	(3,553)	(4,220)
Net assets, beginning of year	35,317	38,870	43,090
Net assets, end of year	<u>\$ 53,257</u>	<u>\$ 35,317</u>	<u>\$ 38,870</u>

Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center
Statement of Financial Position
Balance Sheet (In Thousands)

	As of June 30,		
	2017	2016	2015
Assets			
Current assets:			
Cash and cash equivalents	\$ 24,257	\$ 1,623	\$ 4,843
Investments	16,703	25,883	34,425
Pledges receivable, current portion	883	811	843
Reimbursable grant expenses and billed receivables, net allowance	10,165	11,492	9,752
Royalties receivable	8,275	8,104	3,851
Prepaid expenses and other current assets	419	1,046	953
	<u>60,702</u>	<u>48,959</u>	<u>54,667</u>
Property and equipment, net	<u>35,345</u>	<u>31,878</u>	<u>27,013</u>
Noncurrent assets			
Pledges receivable, net of current portion	273	1,087	1,104
Other assets	34	88	363
	<u>307</u>	<u>1,175</u>	<u>1,467</u>
Total assets	<u>\$ 96,354</u>	<u>\$ 82,012</u>	<u>\$ 83,147</u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	\$ 7,987	\$ 8,185	\$ 8,189
Accrued compensation	1,407	1,135	1,091
Charitable gift annuities, current portion	379	379	379
Long-term debt, current portion	781	907	493
Deferred revenue	13,824	10,692	9,588
Interest rate swap	-	301	532
	<u>24,378</u>	<u>21,599</u>	<u>20,272</u>
Noncurrent Liabilities			
Deferred employee benefits	5,544	6,376	6,180
Charitable gift annuities, net of current portion	519	577	639
Long-term debt, net of current portion	5,207	10,631	9,692
	<u>11,270</u>	<u>17,584</u>	<u>16,511</u>
Total liabilities	<u>35,648</u>	<u>39,183</u>	<u>36,783</u>
Commitments and Contingencies			
Net assets:			
Unrestricted	51,535	34,854	38,870
Unrestricted board designated	1,722	463	-
Temporarily restricted	4,778	4,871	4,903
Permanently restricted	2,671	2,641	2,591
Total net assets	<u>60,706</u>	<u>42,829</u>	<u>46,364</u>
Total liabilities and net assets	<u>\$ 96,354</u>	<u>\$ 82,012</u>	<u>\$ 83,147</u>

Financial Ratios:

	Proforma ^(a)			
	FYE June 30, 2017			
Debt Service Coverage - Operating (x)	3.65	11.73	0.00	(0.25)
Debt Service Coverage - Net (x)	3.99	12.82	0.37	(0.08)
Debt/Unrestricted Net Assets (x)	1.28	0.12	0.33	0.26
Margin (%)		16.28	(5.71)	(6.06)
Current Ratio (x)		2.49	2.27	2.70

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

Financial Discussion

LA BioMed's income statement appears to exhibit fluctuating operating results over the review period from FY 2015 to FY 2017.

LA BioMed's total revenue increased by 34% from approximately \$73.1 million in FY 2015 to approximately \$98.3 million in FY 2017. The growth was driven by increases in royalty income and grants and contracts revenue, which represent nearly 94% of total support and revenues in FY 2017. According to LA BioMed's management, the increase in revenues was primarily due to a \$24.9 million increase in a royalty income, of which \$19.4 million was the result of a royalty monetization transaction and a \$3.5 million increase in its grants and contracts revenue. In alignment with total revenue, total operating expenses increased by 6% from approximately \$77.5 million in FY 2015 to approximately \$82.3 million in FY 2017. According to LA BioMed's management, the increase in total operating expenses was driven by an increase in direct costs and program expenses, which include costs of research performed for grants and contracts. The increase expenses is directly proportional to the increase in grants and contracts revenue.

LA BioMed's operating results increased from approximately \$(-4.4 million) in FY 2015 to approximately \$16.0 million in FY 2017. This significant positive change in operating results was attributed to the increase in royalty income derived from the monetization transaction of one of its many patents. According to LA BioMed's management, the significant increase in royalty revenue in FY 2017 was the result of licensing one of LA BioMed's patented products to a 3rd party. LA BioMed's Board of Supervisors acknowledges the fluctuating operating results and its main objective is to re-invest its profits back into research and hiring additional researchers and investigators. Therefore, LA BioMed may show fluctuation during certain FY's changes in net assets. LA BioMed's main revenue sources are funded through grants and contracts with various federal and state governmental agencies, other licensing royalties, and support from philanthropic donations, private donors and non-profit foundations.

LA BioMed appears to have a solid financial position with a pro-forma debt service coverage ratio from net income of 3.99x.

LA BioMed's balance sheet appears to exhibit improving liquidity with increasing unrestricted net assets, increasing cash and cash equivalents, and solid long-term assets growth in property and equipment.

LA BioMed's cash and cash equivalents increased significantly from approximately \$4.8 million in FY 2015 to approximately \$24.3 million in FY 2017. Investments decreased from approximately \$34.4 million in FY 2015 to approximately \$16.7 million in FY 2017. According to LA BioMed's management, the increase in cash and cash equivalents and corollary decreasing investments was primarily due to proactively increasing liquidity in anticipation of the construction of the project. Property and equipment net increased from approximately \$27.0 million in FY 2015 to \$35.3 in FY 2017. LA BioMed spent money on capital investments including construction in progress, costs included construction in progress as of June 2017. The debt service coverage ratio appears to be a solid 12.82x, and with the proposed financing, the pro-forma debt service coverage ratio continues to be solid at 3.99x.

IV. DUE DILIGENCE:

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

- **Section 15438.5(a) of the Act (Savings Pass Through):** LA BioMed properly completed and submitted the “Pass-Through Savings Certification”.
- **Section 15491.1 of the Act (Community Service Requirement):** LA BioMed properly completed and submitted this certification.
- **Compliance with Seismic Regulations:** LA BioMed is a Medical and Scientific Research Center that is a participating health institution operating in conjunction with Harbor-UCLA Medical Center which has properly submitted a description and relevant documentation addressing OSHPD seismic evaluation regulations.
- **Compliance with Section 15455(b) of the Act (California Environmental Quality Act):** LA BioMed properly submitted relevant documentation addressing CEQA.
- **Religious Affiliation Due Diligence:** LA BioMed properly completed and submitted relevant documentation to meet the religious due diligence requirement.
- **Legal Review:** LA BioMed properly completed and submitted relevant documentation for the Authority’s Legal Questionnaire.
- **Iran Contracting Act Certificate:** LA BioMed and the underwriter properly submitted the certificate to the Authority.

V. OUTSTANDING DEBT (In Thousands)

<u>Date Issued</u>	<u>Original Amount</u>	<u>Amount Outstanding As of June, 2017^(a)</u>	<u>Estimated Amount Outstanding after Proposed Financing</u>
EXISTING LONG-TERM DEBT:			
Capital leases, for equipment	\$ 2,648	\$ 1,648	\$ 1,648
Sale-leaseback arrangement	4,500	4,340	4,340
PROPOSED NEW DEBT:			
<i>CHFFA Series 2018</i>		-	60,000
TOTAL DEBT		\$ 5,988	\$ 65,988

VI. BACKGROUND AND LICENSURE

Background

The Los Angeles Biomedical Research Institute (“LA BioMed”) is a 501(c)(3) independent non-profit biomedical research organization that was founded in 1952 located in Torrance, CA. Formed by clinicians, scientists and educators at the Harbor-UCLA Medical Center, along with members of the community, in order to facilitate and manage research and education endeavor. The Institute has over more than 120 principal investigators and 400 researchers in total — MD’s, MD/PhD’s, and PhD’s — working on over 1,000 research studies. Its vision is to advance new therapies and improve patient outcomes by engaging in cutting-edge research studies to discover treatment and cures for cancer, inherited diseases, infectious diseases, chronic diseases, and the genetic underpinnings of many other diseases. LA BioMed is focused on translating the laboratory-based basic biomedical research its researchers conduct into discoveries that can become real-world treatments and cures. LA BioMed research is funded by many sources including: grants from the National Institute of Health and other government entities, Industry and teaching contracts and royalties, as well as private donors and other non-profit foundations.

Licensure and Memberships

LA BioMed is a Medical and Scientific Research Center that is a participating health institution operating in conjunction with Harbor-UCLA Medical Center. Harbor-UCLA Medical Center is an acute-care facility, owned and operated by the County of Los Angeles and is licensed by the Los Angeles County Department of Health Services.

EXHIBIT 1

FINANCING TEAM

Borrower: Los Angeles Biomedical Research Institute
at Harbor-UCLA Medical Center

Agent for Sale: California State Treasurer

Issuer's Counsel: Office of the Attorney General

Issuer's Financial Advisor: KNN Public Finance, LLC

Issuer's Financial Analyst: TAP International, Inc.

Borrower's Counsel: Polsinelli PC

Bond Counsel: Norton Rose Fulbright, LLP

Underwriter: Wells Fargo Securities

Underwriter's Counsel: Hawkins Delafield & Wood

Trustee: U.S. Bank, National Association

Trustee Counsel: Dorsey & Whitney, LLP

Auditor: Windes, Inc.

Rating Agency: Moody's Investors Service, Inc.

RESOLUTION NO. 433

RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
AUTHORIZING THE ISSUANCE OF REVENUE BONDS
RELATED TO THE FINANCING OR REFINANCING OF
PROJECTS AT THE HEALTH FACILITIES OF
LOS ANGELES BIOMEDICAL RESEARCH INSTITUTE
AT HARBOR-UCLA MEDICAL CENTER

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Health Facilities Financing Authority Act (the “Act”) to issue revenue bonds and lend the proceeds thereof to any participating health institution to finance the construction, expansion, remodeling, renovation, furnishing, equipping and acquisition of health facilities (as defined in the Act) (including by reimbursing expenditures made for such purposes), to refinance indebtedness of a participating health institution in connection therewith and to refund any outstanding bonds or any outstanding series or issue of bonds of the Authority;

WHEREAS, Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center, is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Borrower”);

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 \$60,000,000, and make one or more loans of the proceeds thereof to the Borrower to (i) finance or refinance the costs of construction, expansion, remodeling, renovation, furnishing, equipping, and acquisition of certain health facilities, as more particularly described in Exhibit A hereto (the “Project”), (ii) pay costs of issuance of the Bonds (as defined below), and (iii) at the sole option of the Borrower, provide a bond reserve fund for the Bonds;

WHEREAS, to the extent required by subdivision (b) of Section 15455 of the Government 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 Health Facilities Financing Authority, as follows:

SECTION 1. Pursuant to the Act, revenue bonds of the Authority designated as the “California Health Facilities Financing Authority Revenue Bonds (LA BioMed)” (the “Bonds”), in a total aggregate principal amount not to exceed \$60,000,000, 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 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 third 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 prior to the first anniversary of the date of this Resolution, at public or private sale, in such aggregate principal amounts (not to exceed the aggregate principal amount set forth in Section 1) and in such series, at such prices (so long the discount on the Bonds sold shall not exceed six percent of the par value thereof) and at such interest rate or rates and upon such other terms and conditions as the Treasurer, with the advice and consent of the Borrower, may determine. The Bonds shall, at issuance, 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 by deeds of trust, a reserve fund, bond insurance, credit facility and other security arrangements and/or supported by one or more liquidity facilities.

SECTION 3. The following documents:

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

(ii) a Bond Indenture relating to the Bonds (the “Bond Indenture”), between the Authority and U.S. Bank National Association, as bond trustee (the “Trustee”),

(iii) a Bond Purchase Agreement, including the exhibits thereto, relating to the Bonds (the “Purchase Contract”), among Wells Fargo Securities (the “Underwriter”), the Treasurer and the Authority, and approved by the Borrower, and

(iv) a 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 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 Indenture and the Purchase Contract 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 Authority hereby specifically finds and declares that the findings of the Authority set forth in the Loan Agreement are true and correct.

SECTION 5. The dated dates, maturity dates (not exceeding 40 years from the respective date of issue), interest rates, interest payment dates, denominations, forms, registration privileges or requirements, place or places of payment, terms of tender or purchase, terms of redemption, provisions governing transfer and other terms of the Bonds, including provisions for a credit facility and/or a liquidity facility from time to time, shall be as provided in the Bond Indenture, as finally executed.

SECTION 6. The Underwriter is hereby authorized to distribute the Preliminary Official Statement for 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 Underwriter (in consultation with the Borrower), a preliminary official statement may not be used with respect to any series of Bonds. The Underwriter is hereby directed to deliver the final official statement (the "Official Statement") to all actual purchasers of such Bonds.

SECTION 7. 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 Underwriter 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 Underwriter, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

SECTION 8. Each officer of the Authority is hereby authorized and directed, for and in the name of 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 Bond Indenture, Loan Agreement, Purchase Contract 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 provisions of bond insurance, a letter of credit, a surety bond, a credit facility and/or a liquidity facility for the Bonds.

SECTION 9. The provisions of the Authority's Resolution No. 2017-01, as amended, apply to the documents and actions approved in this Resolution.

SECTION 10. 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 11. This Resolution shall take effect from and after the date of adoption.

Date of Adoption: _____

EXHIBIT A

PROJECT

The Project consists of the financing, including reimbursement of, and refinancing of the construction, expansion, remodeling, renovation, furnishing, equipping, and acquisition of the facilities owned by the Borrower and generally located on the Borrower's campus at 1124 W. Carson Street, Torrance, California, including a new biomedical research building, to the extent the construction, expansion, remodeling, renovation, furnishing, equipping, and acquisition has complied with Division 13 (commencing with Section 21000) of the California Public Resources Code or is not a project under that division.