

Meeting of the Board
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
April 3, 2014
Room 515 North Office Building
Harrisburg, Pennsylvania
10:35 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, Roll Call and Announcement of Quorum.
2. Approval of the Minutes of the Meeting of February 19, 2014.
3. Update to Audit Committee Charter.
4. Approval of Projects.
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education.
 - B. Resolution Authorizing the Undertaking of a Project on Behalf of The University of Pennsylvania Health System and its Members.
 - C. Resolution Authorizing the Undertaking of a Project on Behalf of York College of Pennsylvania.
5. Old Business.
6. New Business.
7. Adjournment.

1. CALL TO ORDER, FILING OF PROOF OF SUNSHINE NOTICE AND OF SENDING NOTICE OF THE MEETING, ROLL CALL AND ANNOUNCEMENT OF QUORUM.

With a quorum of the Board being present, the meeting of the Board of the Pennsylvania Higher Educational Facilities Authority was called to order on Thursday, April 3, 2014 at 10:35 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Corbett)
Michaele Totino, (Proxy for Senator Michael J. Folmer)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Sean Dempsey, (Proxy for Representative Warren E. Kampf)
Sean Brennan, (Proxy for Representative Anthony M. DeLuca)
Jennifer Langan, (Proxy for Treasurer Robert M. McCord)
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)
Secretary of General Services Sheri L. Phillips
Lori Graham, (Proxy for Acting Secretary of Education Carolyn C. Dumaresq)

Authority Personnel Present

Robert Baccon, Executive Director
David Player, Comptroller
Beverly Nawa, Administrative Officer

Also Present

William McCarty, Esquire, Hartman Underhill & Brubaker LLC
Danielle Guyer, Director of Budgetary Affairs for the Speaker of the House of Representatives
Joel Snavely, Treasury Manager, State System of Higher Education
Nilda Sather, Senior Treasury Accountant, State System of Higher Education
Linda Eremita, Managing Director, M&T Securities
Ernie Helling, Assistant Chief Counsel, Department of Education

Participated Via Conference Call

Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC
Chuck Brodbeck, Esquire, Cohen & Grigsby, P.C.
Kevin Cunningham, Esquire, Ballard Spahr LLP
Helen Kreider, Associate Treasurer, University of Pennsylvania
Thomas Cooper, Assistant Vice President of Finance, University of Pennsylvania Health System
Barbara Beckman, Esquire, Ballard Spahr LLP
Matt Smith, Chief Financial Officer, York College

2. APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 19, 2014.

A copy of the minutes of the meeting of February 19, 2014, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the PHEFA meeting of February 19, 2014, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Mr. Brennan**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of April 3, 2014.

3. UPDATE TO AUDIT COMMITTEE CHARTER.

Chairperson Heuer asked Ms. Pike-Nase to brief the Board on changes to the Audit Committee Charter.

Ms. Pike-Nase explained that the Audit Committee Charter (“Charter”) was first approved in 2003. In 2010 the committee reviewed and updated it with minor changes. Now that we have the RFP process for the independent auditors coming up in September or October, which is now on a five year schedule, the committee thought it would be a good idea to reflect this process in the charter. Some additions were included and they also wanted to ensure that the charter has an overview as to how the two authorities interact. They are sister agencies however SPSBA is the main authority in terms of the finances. They also wanted to give background information as to why the charter was first proposed in 2003. In 2010 they had neglected to make sure that it is clear that the Governor’s proxy is a nonvoting member of the committee. They do not want to have an even number of members because you could have a tie vote. She understands that there have been some questions that have come up.

Chairperson Heuer explained that there is a concern about a member sitting on the committee and not having a vote. He understands that we do not want an even number of members. A suggestion would be to add a member to the committee for a total of five members. Chairperson Heuer understood that Ms. Pike-Nase wants to talk to the Auditor General about this suggestion and get Treasury’s input.

Chairperson Heuer asked if there were any other questions or comments, and hearing none, he explained that they would table the vote until the next meeting.

Chairperson Heuer explained that if they add a member they would ask someone who does not currently sit on either the Audit Committee or the Budget Committee.

4. APPROVAL OF PROJECTS.

A. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education.

Mr. Baccon explained that the State System of Higher Education has requested that we issue a maximum of \$53,000,000 in Revenue Bonds to finance the current refunding of our State System of Higher Education Revenue Bonds, Series Z and AA of 2004.

The System has requested that the underwriting for the Bonds be put out for public bid. At the request of the System, the Office of General Counsel has appointed Cohen & Grigsby as the Bond Counsel for this issue. The Bank of New York Mellon Trust Company will serve as Trustee for this issue.

The Resolution in your agenda approves all of the actions necessary in connection with the issuance of the Bonds.

Joel Snavelly, Treasury Manager of the State System is in attendance to answer questions and Chuck Brodbeck of Cohen & Grigsby is participating by phone.

Chairperson Heuer asked if Board Members had any questions, and hearing none, he asked for a motion to approve the Resolution for the State System of Higher Education.

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF THE
STATE SYSTEM OF HIGHER EDUCATION**

DOCKET NO. 645

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Pennsylvania Higher Educational Facilities Authority (the "Authority") shall undertake the financing of a project (the "Project") on behalf of the State System of Higher Education (the "System" or "SSHE") consisting of (i) current refunding of certain of the Authority's obligations issued for the State System of Higher Education, SSHE Revenue Bonds, Series Z of 2004; (ii) current refunding of certain of the Authority's obligations issued for the State System of Higher Education, SSHE Revenue Bonds, Series AA of 2004; and (iii) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds; provided, however, that the Executive Director, at the request of the System, shall have the power to add, delete or substitute for any component of the Project but only to the extent permitted by the Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, and the Federal income tax laws from time to time in effect.

2. In order to finance the Project, the Authority will enter into one or more supplements to its existing Trust Indenture dated as of June 1, 1985, as supplemented (the "Indenture") with The Bank of New York Mellon Trust Company, N.A. (successor trustee to Mellon Bank, N.A., Chase Manhattan Trust Company, National Association, and J.P. Morgan Trust Company, National Association) (the "Trustee") and shall issue up to \$53,000,000 in aggregate principal amount of taxable or tax-exempt bonds in one or more series (which may be issued on the same or different dates) to be designated "Pennsylvania Higher Educational Facilities Authority State System of Higher Education Refunding Revenue Bonds, Series of 2014" with an appropriate alphabetical series designation, commencing with the letter "AP" (or a similar designation) (the "Bonds"). The Bonds shall have a term not to exceed 30 years and shall bear interest at a fixed or variable rate acceptable to the proper officers of the System, shall mature in such principal amounts and at such times, and shall be subject to redemption, all as approved by the Executive Director in consultation with the System and as further provided in the proposal or other purchase agreement hereinafter defined and described.

In the event the System requests that the Bonds of any series bear interest at a variable rate rather than a fixed-rate, the Executive Director is hereby authorized to approve the initial interest rate to be borne by such Bonds and the variable interest rate formula, if any, to be used in determining interest due on the Bonds thereafter, and to appoint an indexing agent and/or remarketing agent and to take such other action as may be required in connection with a variable interest rate.

The Bonds shall be limited obligations of the Authority, payable only from payments made by the System under the Loan Agreement (defined herein). The Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the supplement to the Indenture used in connection with the issuance of the Bonds (the "Supplemental Indenture") and approved by the Executive Director. The execution of the Bonds with the manual or facsimile signature of the President of the Authority together with the official seal or a facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary is hereby authorized. The Executive Director is hereby authorized to deliver the Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the Bonds when so authenticated, on behalf of the Authority, to or upon the order of the purchaser thereof against receipt of the purchase price together with any accrued interest, all in accordance with the requirements of the Indenture and/or any supplement thereto.

3. The proceeds from the sale of the Bonds shall be loaned to the System pursuant to the terms of one or more supplements to the Loan and Security Agreement between the Authority and the System dated as of June 1, 1985, as supplemented (the "Loan Agreement"), and shall be applied by the System for and toward the costs of the Project including (a) the payment of all or a portion of the costs of issuance of the Bonds, including without limitation, printing and reproduction costs, fees and expenses of Bond Counsel, the underwriter and the financial advisor of the System, fees and expenses of the Trustee, and administrative costs and expenses of the System and the Authority, all upon submission of the proper documentation thereof; (b) payment of the premium for a policy of municipal bond insurance, or other credit enhancement or liquidity enhancement, if determined to be advantageous by the proper officers of the System; and (c) the funding of any required reserve fund and other funds established under the Indenture and the Supplemental Indenture.

4. The Executive Director in connection with the sale of any or all of the Bonds is hereby authorized and directed to advertise publicly for, or to solicit from and negotiate with the prospective purchaser or purchasers of the Bonds, proposals for the purchase of the Bonds and to sell and award the Bonds, or any part thereof, to the purchaser or purchasers offering to purchase the Bonds at a purchase price representing the lowest true interest cost to the Authority if the Bonds are sold at public sale or on such terms and conditions as are approved by the Executive Director with the approval of the proper officers of the System if the Bonds are sold in a private sale. The bid specifications in the Public Invitation for Proposals shall specify that the successful underwriting syndicate must include minority or veteran or female participation at the co-manager level. The President, any Vice President or the Executive Director is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof, determined as provided above, and to execute and deliver all documents in connection therewith.

5. The form of Official Invitation for Proposals and the form of Proposal, all with respect to the offering for sale of the Bonds, in the forms approved by the Executive Director with the advice of Bond Counsel and Authority counsel, is hereby authorized and approved. The Executive Director is hereby authorized and directed to distribute such forms of Official Invitation for Proposals and Proposal among and to prospective purchasers of the Bonds.

6. The President, any Vice President, the Executive Director is hereby authorized, upon receipt of an acceptable Proposal for the purchase of any Series of the Bonds issued hereunder, or upon the private sale of the Bonds by negotiation, to enter into one or more purchase agreements for such purpose in accordance with the terms of this resolution and the President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director is hereby authorized to execute and deliver the particular purchase agreement or agreements on behalf of the Authority and to take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

7. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of Bonds of any series authorized hereunder and the financing of the Project: any supplement to the Indenture and the Loan Agreement; any remarketing agreement and/or indexing agent agreement if any series of Bonds shall bear interest at a variable rate; any insurance agreement or other agreement that may be required by the issuer of any municipal bond insurance policy or other credit enhancement for the Bonds, and any other document to which the Authority is a party and which is required in connection with the financing of the Project; all in such form as shall be acceptable to Bond Counsel, the Office of General Counsel, the Attorney General of the Commonwealth and Authority Counsel and as shall be approved by the Executive Director.

8. The President, any Vice President or the Executive Director shall be, and each of them is hereby authorized to execute, acknowledge and deliver in the name of and on behalf of the Authority, and the Secretary or Assistant Secretary and each of them is hereby authorized to attest and affix the official seal of the Authority to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of said documents.

9. Any preliminary official statement and/or final official statement which may be used in connection with the offer and sale of the Bonds shall be in such form as shall be approved by the Executive Director with the advice of Bond Counsel. The Executive Director is hereby authorized to execute any such preliminary official statement and/or final official statement in the name of and on behalf of the Authority, and such execution by the Executive Director shall constitute conclusive evidence of the Authority's approval of such documents. The circulation and distribution of copies of any such documents in connection with the placement or offering of the Bonds is hereby authorized.

10. The Bank of New York Mellon Trust Company, N.A. as successor Trustee to J.P. Morgan Trust Company, National Association, Pittsburgh, PA, as successor Trustee to Chase Manhattan Trust Company, National Association, and as successor trustee to Mellon Bank, N.A., shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. At the request of the System, the Office of General Counsel has appointed Cohen & Grigsby, P.C. as the Bond Counsel for this issue.

11. The appropriate officers of the Authority are hereby authorized to take such further action and to execute and deliver in the name and on behalf of the Authority any and all other documents and certificates, in addition to those specified above, as they shall deem necessary or advisable in connection with the issuance of the Bonds and the implementation of this Resolution.

12. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of such Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture, all subject to the terms and limitations contained in the Indenture.

13. The appropriate officers of the Authority are, and each of them is, hereby authorized to execute and deliver in the name and on behalf of the Authority such other documents and to take such other action as they shall deem necessary in order to effectuate the financing of the Project, the execution, delivery and receipt of the Indenture and the Loan Agreement, the distribution of a preliminary official statement and/or final official statement and the issuance and sale of the Bonds, all in accordance with these Resolutions.

14. The appropriate officers of the Authority, including the President, any Vice President and the Executive Director are, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the System and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and (ii) the Amendment will not adversely affect the excludability from gross income of interest on any tax-exempt Bonds for purposes of federal income taxation.

15. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

Upon **MOTION** by **Secretary Phillips**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of April 3, 2014.

EXHIBIT A

STATE SYSTEM OF HIGHER EDUCATION

SERIES AP OF 2014

<u>Docket No.</u>	<u>Counties</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
645	Various	(i) current refunding of certain of the Authority's obligations issued for the State System of Higher Education, SSHE Revenue Bonds, Series Z of 2004; (ii) current refunding of certain of the Authority's obligations issued for the State System of Higher Education, SSHE Revenue Bonds, Series AA of 2004; and (iii) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds.	\$53,000,000

Term: Up to 30 years.

Rate: Variable or Fixed.

Rating/Insurance: Prior to the issuance, a determination will be made whether to obtain bond insurance. The System is rated Aa3 by Moody's and AA by Fitch.

Underwriter: To be determined by Competitive Bid.

Bond Counsel: At the request of the System, Cohen & Grigsby, P.C. has been appointed Bond Counsel by the Office of General Counsel.

Trustee: The Bank of New York Mellon Trust Company, N.A.

Minority or Veteran or Female Participation in this Financing: Bid specifications will be written to specify that the successful underwriting syndication must include minority or veteran or female participation at the co-manager level. McElwee & Quinn, a female-owned firm will serve as Printer.

Approved at the PHEFA Board Meeting of April 3, 2014.

4. APPROVAL OF PROJECTS (CONTINUED).

B. Resolution Authorizing the Undertaking of a Project on Behalf of The University of Pennsylvania Health System and its Members.

Mr. Baccon explained that The University of Pennsylvania Health System has requested that we issue a maximum \$100,000,000 in Revenue Bonds to finance certain capital projects of the System, including payment of capitalized interest on the Bonds and refinancing of certain outstanding indebtedness of the System.

The System will select one or more Underwriters or purchasers of the Bonds and U.S. Bank will be Trustee for the Bonds. At the request of the System, the Office of General Counsel has appointed Ballard Spahr as the Bond Counsel.

The Resolution in your agenda approves all of the actions necessary in connection with the issuance of the Bonds.

Kevin Cunningham, of Ballard Spahr, Thomas Cooper, Assistant Vice President of Finance of the System and Helen Kreider, Associate Treasurer of the University are participating by phone to answer questions.

Ms. Langan asked if we can provide financing for the Health System because they are a teaching hospital.

Mr. Baccon said that was correct.

Ms. Pike-Nase indicated that she would be abstaining from the vote because of an audit that is taking place.

Mr. Dempsey asked how adding the \$100,000,000 to the existing \$781,835,000 of debt would affect the rating going forward.

Mr. Cooper said that it should not have an impact. They talk to the rating agencies yearly and they are well within their debt covenant.

Chairperson Heuer asked if Board Members had any other questions, and hearing none, he asked for a motion to approve the Resolution for The University of Pennsylvania Health System and its Members.

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
THE UNIVERSITY OF PENNSYLVANIA HEALTH SYSTEM AND ITS MEMBERS**

DOCKET NO. 646

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Pennsylvania Higher Educational Facilities Authority (the "Authority") shall undertake a project (the "Project") on behalf of any or all of the members of the University of Pennsylvania Health System (the "System"), which consists of (i) the Hospital of the University of Pennsylvania ("HUP"); (ii) the Clinical Practices of the University of Pennsylvania ("CPUP"); (iii) the Pennsylvania Hospital of the University of Pennsylvania Health System ("Pennsylvania Hospital"); (iv) Presbyterian Medical Center of the University of Pennsylvania Health System d/b/a Penn Presbyterian Medical Center ("PPMC"); (v) Wissahickon Hospice ("WH"); (vi) Clinical Care Associates of the University of Pennsylvania Health System ("CCA"); and (vii) The Chester County Hospital and Health System ("TCCHHS") (each, a "Member" and, collectively, the "Members of the System"). HUP and CPUP are operating divisions of The Trustees of the University of Pennsylvania (the "University") and Pennsylvania Hospital, PPMC, WH, CCA and TCCHHS are wholly controlled affiliates of the University. The Project consists generally of (a) the financing of certain capital projects of the System; (b) the refinancing of certain outstanding indebtedness of the System; (c) the payment of capitalized interest on the Bonds (as defined below); and (d) the payment of certain costs of issuance in respect of the Bonds; provided, however, that the Executive Director of the Authority, at the request of the University, shall have the power to add, delete or substitute for any component of the Project but only to the extent permitted by the Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, and the Federal income tax laws from time to time in effect.

2. In order to finance the Project, the Authority will enter into one or more trust indentures and/or will enter into one or more supplements to the Trust Indenture dated as of May 1, 1994, as amended and supplemented (collectively the "Indenture") with U.S. Bank National Association, as trustee, or with such other trustee (the "Trustee") as appointed by the University and approved by the Executive Director of the Authority, such approval to be evidenced by his or her execution of the Indenture, pursuant to which the Authority shall issue up to \$100,000,000 outstanding at any time in aggregate principal amount of bonds, notes, or other obligations, subject to increase to the extent of original issue discount, in one or more series which may be tax-exempt or taxable and which may be issued on the same or different dates to be designated "Pennsylvania Higher Educational Facilities Authority University of Pennsylvania Health System Revenue Bonds" (or with the name of the applicable Member of the System) with an appropriate series and year of issuance designation (the "Bonds"). The Bonds shall have a term not to exceed 40 years, shall bear interest at fixed or variable rates acceptable to the University, shall mature in such principal amounts and at such times, shall be subject to redemption and contain other features all as approved by the Executive Director of the Authority, after consultation with the

System and further provided in the proposal to purchase the Bonds, or bond purchase agreement hereinafter described.

3. If deemed advantageous by the University in connection with the issuance of one or more series of the Bonds, the proper officers of the Authority are hereby authorized to purchase or cause to be purchased, and the Trustee is hereby authorized to accept, a letter of credit or a similar instrument securing the payment, when due, of the principal and/or purchase price of and interest on such series of Bonds, and the Trustee is further authorized to accept a liquidity facility, letter of credit or a similar instrument for the payment of the purchase price of one or more series of Bonds upon tender for purchase, if applicable.

4. In the event the University requests that the Bonds of any series bear a variable rate rather than a fixed rate of interest, the Executive Director of the Authority is hereby authorized to approve the initial interest rate to be borne by such Bonds and the variable interest rate formula to be used in determining interest due on the Bonds thereafter, and to appoint or approve an indexing agent, calculation agent, tender agent and/or remarketing agent and to take such other action as may be required in connection with a variable interest rate or in connection with Bonds bearing interest at fixed interest rates, including the authorization or approval of any swap agreement or similar agreement, remarketing agreement or credit facility agreement.

5. The Bonds shall be limited obligations of the Authority, payable only from the payments made by one or more Members of the System under the Loan Agreement (defined below). The Bonds shall be issued in such denominations and form and under such terms as shall be set forth in the Indenture and approved by the Executive Director of the Authority. The execution of the Bonds with the facsimile signature of the President of the Authority together with a facsimile of the official seal of the Authority and the attestation thereof by the facsimile signature of the Secretary of the Authority is hereby authorized. The Executive Director of the Authority is hereby authorized and directed to deliver the Bonds on behalf of the Authority, to or upon the order of the purchaser thereof against receipt of the purchase price together with any accrued interest, all in accordance with the requirements of the Indenture.

6. Simultaneously with the issuance of any series of the Bonds, there may be executed and delivered one or more supplements to the Master Trust Indenture dated as of May 1, 1994, as amended and supplemented, between the Obligated Group (as such term is defined therein) and U.S. Bank National Association, as successor master trustee, and pursuant to which the Obligated Group may issue one or more promissory notes in the original principal amount of the Bonds of the applicable series.

7. The proceeds from the sale of the Bonds shall be loaned to one or more Members of the System pursuant to one or more loan agreements or one or more supplements to the Loan Agreement dated as of May 1, 1994, as amended and supplemented between the Authority, the University, Pennsylvania Hospital and PPMC and, if appropriate, TCCHHS, or, in the event the Bonds are directly placed with one or more bank and if they so request, a bond purchase and loan agreement by and among one or more Members of the Obligated Group, such bank or banks and the Authority (collectively, the "Loan Agreement") and shall be applied toward the costs of the

Project including (a) the payment of all or a portion of the costs of issuance of the Bonds, including without limitation, printing and reproduction costs, fees and expenses of Bond Counsel, underwriters' counsel and the underwriter, direct purchaser's counsel, fees and expenses of the Trustee, and administrative costs and expenses of the System and the Authority, all upon submission of the proper documentation thereof; and (b) the funding of funds established under the Indenture.

8. The Executive Director of the Authority is authorized to sell the Bonds at a public or private sale on such terms and conditions as are approved by the Executive Director of the Authority with the approval of the University. The President, any Vice President or the Executive Director is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof and to execute and deliver all documents in connection therewith.

9. The President, any Vice President or the Executive Director of the Authority is hereby authorized to enter into one or more bond purchase agreements relating to the underwriting or direct purchase and sale of the Bonds in accordance with the terms of this resolution and the President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director is hereby authorized to execute and deliver the bond purchase agreement on behalf of the Authority and take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

10. The Authority does hereby authorize the execution and delivery of any of the following documents relating to the issuance of Bonds of any series authorized hereunder and the financing of the Project: the Indenture, the Loan Agreement, any bond purchase agreement, or other agreement or instrument described in this Resolution; any required secondary market disclosure agreement and any other document to which the Authority is a party and which is required in connection with the financing of the Project; all in such form as shall be acceptable to Bond Counsel, the Office of General Counsel, the Attorney General of the Commonwealth and Authority counsel and as shall be approved by the Executive Director of the Authority.

11. The President, the Vice President or the Executive Director of the Authority shall be, and each of them is hereby authorized and directed to execute, acknowledge and deliver in the name of and on behalf of the Authority, and the Secretary or Assistant Secretary of the Authority shall be and each of them is hereby authorized and directed to attest and affix the official seal of the Authority to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of the forms of said documents.

12. Any preliminary official statement and/or final official statement which may be used in connection with the sale and issuance of the Bonds shall be in such form as shall be approved by the Executive Director of the Authority with the advice of Bond Counsel. The Executive Director of the Authority shall be and hereby is authorized and directed to execute any such preliminary official statement and/or final official statement or other offering document, and the execution by the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval of the form of such documents. The Authority is hereby authorized to

circulate and distribute copies of any such documents in connection with the issuance and sale of the Bonds.

13. The underwriter or purchaser of the Bonds of each series shall be appointed by the University and approved by the Executive Director of the Authority, such approval to be evidenced by his or her execution of the bond purchase agreement. Any underwriter or purchaser so appointed and approved shall be authorized to act as the underwriter or purchaser of the Bonds of such series. At the request of the System, the Office of General Counsel appointed Ballard Spahr LLP as the Bond Counsel. The Executive Director of the Authority is hereby authorized to approve upon the recommendation of the University, additional professionals for the Bonds, including a tender agent or agents.

14. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of such Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture, all subject to the terms and limitations contained in the Indenture.

15. The appropriate officers of the Authority, including the President, any Vice President, and the Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Projects (collectively, the "Bond Documents") requested by the University or the System and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and (ii) the Amendment will not adversely affect the excludability from gross income of interest on the Bonds for purposes of federal income taxation.

16. Any Resolution adopted by the Authority or parts thereof that conflict with this Resolution are hereby repealed, and this Resolution shall supersede such prior actions and be in full force and effect immediately upon its adoption.

Upon **MOTION** by **Secretary Phillips**, **SECONDED** by **Mr. Brennan**, and after full discussion, the above Resolution was approved at the PHEFA Board Meeting of April 3, 2014, with Ms. Pike-Nase abstaining.

EXHIBIT A

THE UNIVERSITY OF PENNSYLVANIA HEALTH SYSTEM AND ITS MEMBERS

<u>Docket No.</u>	<u>Counties Where Facilities are Located</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
646	Philadelphia, Pennsylvania; Chester County, Pennsylvania	(i) The financing of certain capital projects of the System; (ii) the refinancing of certain outstanding indebtedness of the System; (iii) the payment of capitalized interest on the Bonds; and (iv) the payment of costs of issuing the Bonds	\$100,000,000

Term: No more than 40 years.

Rate: Variable or Fixed.

Rating/Credit Enhancement: The Bonds are expected to be rated Aa3 by Moody's and AA- by S&P. Prior to the issuance, a determination will be made whether to obtain a letter of credit or other credit enhancement or liquidity enhancement if deemed beneficial by the University.

Underwriters or Purchaser: The underwriters or purchasers of the Bonds shall be appointed by the University and approved by the Executive Director of the Authority.

Bond Counsel: At the request of the System, the Office of General Counsel has appointed Ballard Spahr LLP as the Bond Counsel for this issue.

Minority, Veteran and/or Female Participation in this Financing: To be determined by the University in consultation with the Executive Director of the Authority.

Trustee: U.S. Bank National Association, as the existing trustee under the Indenture, or another trustee to be appointed by the University and approved by the Executive Director.

Prevailing Wages. Prevailing wages will be used on the construction portion of the Project.

Approved at the PHEFA Board meeting of April 3, 2014.

4. APPROVAL OF PROJECTS (CONTINUED).

C. Resolution Authorizing the Undertaking of a Project on Behalf of York College of Pennsylvania.

Mr. Baccon explained that York College through a program sponsored by the Association of Independent Colleges and Universities of Pennsylvania or AICUP has requested that we issue a maximum \$30,000,000 in Revenue Bonds to finance the current refunding of our Series 2001 I6, Series 2002 K2, Series 2004 M3, and Series 2004 BB Bonds, along with miscellaneous capital expenditures.

M&T Securities will serve as the Underwriter. At the request of AICUP and the College, the Office of General Counsel has appointed Ballard Spahr as Bond Counsel.

The Resolution in your agenda approves all of the actions necessary in connection with the issuance of the Bonds.

Linda Eremita, Managing Director of M&T Securities is present to answer questions. Matt Smith, Chief Financial Officer of the College and Barbara Beckman of Ballard Spahr are participating by phone.

Chairperson Heuer asked if Board Members had any other questions, and hearing none, he asked for a motion to approve the Resolution for York College of Pennsylvania.

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
YORK COLLEGE OF PENNSYLVANIA**

DOCKET NO. 647

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Pennsylvania Higher Educational Facilities Authority (the “Authority”) shall undertake a project (the “Project”) on behalf of York College of Pennsylvania (the “College”) generally anticipated to consist of: (i) the current refunding of the Authority’s (A) Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program - York College of Pennsylvania Project), Series 2001 I6, (B) Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program - York College of Pennsylvania Project), Series 2002 K2, (C) Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program - York College of Pennsylvania Project), Series 2004 M3, and (D) Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program - York College of Pennsylvania Project), Series 2004 BB (collectively, the “Prior Bonds”); (ii) miscellaneous capital expenditures; and (iii) the payment of certain costs of issuing the Bonds.

2. In order to finance the Project, the Authority will enter into one or more Trust Indentures (collectively, the “Indenture”) with The Bank of New York Mellon Trust Company, N.A., as trustee, or such other trustee (the “Trustee”) as appointed by the College and approved by the Executive Director of the Authority, such approval to be evidenced by his execution of the Indenture, pursuant to which the Authority shall issue up to \$30,000,000 (exclusive of any original issue discount) in aggregate principal amount of bonds to be in one or more series to be designated “Pennsylvania Higher Educational Facilities Authority Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program - York College of Pennsylvania Project), Series 2014 T_” (or any such other designation as may be approved by the Executive Director of the Authority) (the “Bonds”). The Bonds shall have a term not to exceed 25 years and shall bear interest at a variable rate to be adjusted as set forth in the Indenture, shall mature in such principal amounts and at such times, and shall be subject to redemption and purchase, as applicable, all as approved by the Executive Director of the Authority in consultation with the College and further provided in the Indenture.

The Bonds shall be issued in such denominations and form and under such terms as shall be set forth in the Indenture used in connection with the issuance of the Bonds and approved by the Executive Director of the Authority. The execution of the Bonds with the manual or facsimile signature of the President of the Authority or other authorized officer together with a manual or facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority is hereby authorized. The Executive Director of the Authority is hereby authorized and directed to deliver the Bonds to the Trustee under the Indenture for authentication and to execute and deliver instructions to the Trustee to deliver the Bonds when so authenticated, on

behalf of the Authority, to or upon the order of the purchaser thereof against receipt of the purchase price together with any accrued interest, all in accordance with the requirements of the Indenture and or any supplement thereto.

3. The proceeds from the sale of the Bonds shall be loaned to the College pursuant to the terms of one or more Loan Agreements or other financing agreements between the College and the Authority (collectively, the "Loan Agreement"), and shall be applied by the College for and towards the costs of the Project, including (a) the payment of all or a portion of the costs of issuance of the Bonds, including without limitation, printing and reproduction costs, fees and expenses of Bond Counsel and the financial adviser (if any), rating agency fees, fees and expenses of the Trustee, and administrative costs and expenses of the Authority, all upon submission of the proper documentation thereof, (b) the payment of, if applicable, insurance premiums, letter of credit fees relating to the Bonds or other credit enhancement and/or liquidity fees, and (c) the funding of reserve funds, if any, or other funds established under the Indenture.

4. The President, any Vice President or the Executive Director of the Authority is hereby authorized to negotiate with the underwriter hereinafter appointed for an acceptable proposal for the purchase of the Bonds issued hereunder, to enter into one or more purchase agreements (collectively, the "Bond Purchase Agreement") for such purpose in accordance with the terms of this resolution and the President, any Vice President or the Executive Director is hereby authorized to execute and deliver such Bond Purchase Agreement on behalf of the Authority and to take such further action as may be required or proper to carry out the obligations of the Authority thereunder; provided, however, that if the College determines to sell the Bonds through a competitive bid process, then the President, any Vice President or the Executive Director is hereby authorized to execute and deliver one or more Invitations for Proposals, Notices of Sale or similar documents in connection with the solicitation of bids for purchases of the Bonds (collectively, the "Notice of Sale").

5. The Authority does hereby authorize the execution and delivery of any documents to which the Authority is a party and which are required to be executed and delivered in connection with the financing of the Project and the issuance of the Bonds authorized hereunder, including but not limited to, the Indenture, the Loan Agreement, the Bond Purchase Agreement and/or the Notice of Sale, provided that all such documents shall be in such form as shall be acceptable to Bond Counsel, the Office of General Counsel, the Attorney General of the Commonwealth and Authority Counsel and as shall be approved by the Executive Director of the Authority.

6. The President, any Vice President or the Executive Director of the Authority shall be, and each of them is hereby, authorized and directed to execute, acknowledge and deliver in the name of and on behalf of the Authority, and, if required, the Secretary or Assistant Secretary of the Authority shall be and each of them is hereby authorized and directed to attest and affix the official seal of the Authority to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of the forms of said documents.

7. The form of any preliminary official statements and/or final official statements which may be used in connection with the sale and issuance of the Bonds shall be approved by

the Executive Director of the Authority with the advice of Bond Counsel and Authority Counsel. The Executive Director of the Authority shall be and hereby is authorized and directed to deem any such preliminary official statements or official statements final within the meaning of Securities and Exchange Rule 15c2-12 and to execute any such final official statements and such execution by the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval of the form of such document. The Authority is hereby authorized to circulate and distribute copies of any such documents in connection with the offering of the Bonds.

8. The appropriate officers of the Authority, including the President, the Vice President and the Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument, preliminary official statement or official statement or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the College and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment, and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and (ii) the Amendment will not adversely affect the excludability from gross income of interest on the Bonds for purposes of federal income taxation.

9. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of such Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by such Indenture, all subject to the terms and limitations contained in the Indenture.

10. The appropriate officers of the Authority are hereby authorized to take such further action and to execute any and all other documents and certificates, in addition to those specified above, as shall be required in connection with the issuance of the Bonds and the implementation of these resolutions.

Upon **MOTION** by **Mr. Dempsey**, and **SECONDED** by **Secretary Phillips**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of April 3, 2014.

EXHIBIT A

YORK COLLEGE OF PENNSYLVANIA

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
647	York	(i) the current refunding of the Authority's (A) Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program - York College of Pennsylvania Project), Series 2001 I6, (B) Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program - York College of Pennsylvania Project), Series 2002 K2, (C) Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program - York College of Pennsylvania Project), Series 2004 M3, and (D) Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program - York College of Pennsylvania Project), Series 2004 BB (collectively, the "Prior Bonds"); (ii) miscellaneous capital expenditures; and (iii) the payment of certain costs of issuing the Bonds.	\$30,000,000

Term: Not more than 25 years.

Rate: Variable Rate.

Expected Rating: "A" by Standard & Poor's Ratings Services.

Underwriter: M&T Securities, Inc. or such other underwriter(s) as may purchase the Bonds through a competitive bid process.

Bond Counsel: At the request of AICUP and the College, the Office of General Counsel has appointed Ballard Spahr LLP as Bond Counsel.

Trustee: The Bank of New York Mellon Trust Company, N.A., or another trustee as determined by the College in consultation with the Executive Director.

Minority, Veteran and/or female participation in this issue: McElwee & Quinn will serve as the financial printer.

Approved at the PHEFA Board meeting of April 3, 2014.

5. OLD BUSINESS.

Chairperson Heuer asked if Board Members received the checklist and policy from Mr. Baccon. This will be discussed at the next meeting.

6. NEW BUSINESS.

Chairperson Heuer asked if there was any new business to come before the Board, and hearing none, he asked for a motion to adjourn.

7. ADJOURNMENT.

There being no further business to come before the Board at this time, upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Mr. Dempsey**, the PHEFA Board Meeting was adjourned at 10:42 a.m.

SUNSHINE ACT MEETING NOTICES

Thursday, March 13, 2014

If you need an accommodation due to a disability,
please contact the ADA contact name listed below.

BBVS and BVRS, OVR Harrisburg Meeting: March 17, 2014, 3:00PM.

Forum Place, OVR, 8th Fl., 555 Walnut St., HBG.

Contact Name: Wilhelmenia Murray 787-6022

SPECIAL: State Board of Pharmacy Public Work Session: March 18, 2014,
2601 N. 3rd St., HBG. Time: To begin at the end of the Regular Meeting scheduled.

Contact Name: Nicole Thurstin 787-6604

SPECIAL: State Board of Medicine Committee Meeting: March 18, 2014,
2:00 PM. 2601 N. 3rd St., HBG.

Contact Name: Nicole Thurstin 787-6604

Dept. of Environmental Cleanup & Brownfields, Cleanup Standards Scientific
Advisory Board Meeting: March 19, 2014, 9 AM. Rachel Carson State Office Bldg.,
14th Fl. Conf. Rm., HBG

Contact Name: Donna Watson 787-7566

PA Insurance Dept., Underground Storage Tank Indemnification Fund Board
Meeting: March 20, 2014, 10:00 AM. Capitol Associates Bldg., Rm. 200,
Hearings Office, 901 N. 7th St., HBG.

Contact Name: Rick Burgan 787-0763, ext. 3409

PA Apprenticeship and Training Meeting: March 20, 2014, 10:00 AM.

Labor and Industry Bldg., 17th Fl. Conf. Rm., HBG.

Contact Name: Debra Wagner 787-4671

State Board of Examiners in Speech-Language and Hearing Meeting:
March 21, 2014, 9:30AM. 2601 N. 3rd St., HBG.

Contact Name: Nicole Thurstin 787-6604

PA Human Relations Commission Monthly Meeting: March 24, 2014,

Appendix A

5:00 PM. Hutchinson Memorial United AME Church, 825 E. Chestnut St., Coatesville, PA 19320. If you need special accommodations or have accessibility questions, please contact Cathy Walters at (717)783-8272 or (TIY) (717)787-7279 or cawalters@pa.gov.

Contact Name: Cathy Walters 783-8272

CANCELLED: State Board of Psychology Meeting: March 25, 2014, 9:00AM.
2601N. 3rd St., HBG.

Contact Name: Nicole Thurstin 787-6604

SPECIAL: State Board of Social Workers, Marriage and Family Therapists and Professional Counselors Committee Meeting: March 25, 2014, 9:30AM.
2601N. 3rd St., HBG.

Contact Name: Nicole Thurstin 787-6604

CANCELLED: State Board of Veterinary Medicine Meeting: March 28, 2014, 9:00AM. 2601N. 3rd St., HBG.

Contact Name: Nicole Thurstin 787-6604

SPECIAL: PA Higher Educational Facilities Authority Meeting: April 3, 2014, 10:30 AM. North Office Bldg., Rm. 515, HBG.

Contact Name: Bev Nawa 975-2204

SPECIAL: State Public School Building Authority Meeting: April 3, 2014, 10:30 AM. North Office Bldg., Rm. 515, HBG.

Contact Name: Bev Nawa 975-2204

Appeared In: ***Patriot-News*** on Thursday, 03/13/2014

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
April 3, 2014

Notice was in letterform, as follows:

This letter advises that a meeting of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, April 3, 2014**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) approving certain projects for financing; and (b) consideration of such other matters as may properly come before the Board.

Enclosed herewith is a copy of the notice that has been posted on the bulletin board in the Authority office, in accordance with Act No. 213, 1957.

I would appreciate it if you would make the appropriate notation on the attached slip, indicating whether or not you plan to be present at the meetings and return same to us.

Sincerely,

/s/ Robert Baccon

Robert Baccon
Executive Director

Enclosures

* * * * *

Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the April 3, 2014, meetings was dispatched to the following on March 10, 2014, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority.

Thomas W. Corbett, Governor of Pennsylvania
225 Main Capitol Building, Harrisburg, PA
Steven S. Heuer, Proxy for Governor Corbett
333 Market Street – 18th Floor, Harrisburg, PA
Michael J. Folmer, Designated by the President Pro Tempore of the Senate
170 Main Capitol Building, Harrisburg, PA
Andrew E. Dinniman, Designated by the Minority Leader of the Senate
183 Main Capitol Building, Harrisburg, PA
Warren E. Kampf, Designated by the Speaker of the House of Representatives
422 Irvis Office Building, Harrisburg, PA
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives
115 Irvis Office Building, Harrisburg, PA
Robert M. McCord, State Treasurer
129 Finance Building, Harrisburg, PA
Eugene A. DePasquale, Auditor General
229 Finance Building, Harrisburg, PA
Sheri L. Phillips, Secretary of General Services
515 North Office Building, Harrisburg, PA
Carolyn C. Dumaresq, Acting Secretary of Education
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 10th day of March 2014.

/s/ Robert Baccon

Robert Baccon, Executive Director
State Public School Building Authority
Pennsylvania Higher Educational Facilities Authority