

Meeting of the Board  
**PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY**  
February 9, 2012  
**Room 302 Irvis Office Building**  
Harrisburg, Pennsylvania  
10:43 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 January 12, 2012.
3. 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 Foundation for Indiana University of Pennsylvania.
  - C. Resolution Authorizing the Execution of Amendments and Other Documents in Connection with Bonds Issued in 2008 on Behalf of The Foundation for Indiana University of Pennsylvania.
  - D. Resolution Authorizing the Undertaking of a Project on Behalf of the University of Pennsylvania Health System and its Members.
  - E. Resolution Authorizing Execution of Amendments and Other Documents in Connection with Bonds Issued in 2008 on Behalf of the University of Pennsylvania Health System and its Members.
4. Old Business.
5. New Business.
6. 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, February 9, 2012 at 10:43 a.m. prevailing time, in Room 302 Irvis 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**

Rick Dreher, (Proxy for Governor Thomas W. Corbett)  
Eileen Flinn, (Proxy for Senator Andrew E. Dinniman)  
Representative John C. Bear  
Christopher Craig, (Proxy for State Treasurer Robert M. McCord)  
Christal Pike-Nase, (Proxy for Auditor General Jack E. Wagner)  
Secretary of General Services Sheri L. Phillips  
Lori Graham, (Proxy for Secretary of Education Ronald J. Tomalis)

**Board Members Absent**

Senator Jeffrey E. Piccola  
Representative Anthony M. DeLuca

**Authority Personnel Present**

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

**Also Present**

William McCarty, Esquire, Hartman Underhill & Brubaker LLP  
Stephen Tuckey, Esquire, General Counsel, Office of the Republican Leader of the  
House of Representatives  
Joel Snavelly, Director of Treasury, State System of Higher Education  
David Twaddell, Esquire, Rhoads & Sinon LLP

**Participated Via Conference Call**

Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC

Charles Brodbeck, Esquire, Cohen & Grigsby, PC

Jackie Brown, Director of Financial Operation, Foundation for Indiana University of  
Pennsylvania

Dean Richardson, Esquire, Eckert, Seamans, Cherin & Mellot, LLC

Gavin Murrey, Managing Director, Morgan Keegan & Company

Kevin Cunningham, Esquire, Ballard Spahr LLP

Thomas Cooper, Assistant Vice President of Finance, University of Pennsylvania  
Health System

Helen Kreider, Associate Treasurer, University of Pennsylvania

## **2. APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 12, 2012.**

A copy of the minutes of the meeting of January 12, 2012, 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 January 12, 2012, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Flinn**, and **SECONDED** by **Secretary Phillips**, and after full discussion, the above Resolution was approved at the PHEFA Board Meeting of February 9, 2012.

## **3. 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 \$113,000,000 in Revenue Bonds expected to finance the current refunding of the Pennsylvania Higher Educational Facilities Authority's State System of Higher Education Revenue Bonds, Series U & W of 2002 & Series X of 2003.

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

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

Joel M. Snavely of the System and David Twaddell of Rhoads & Sinon are both in attendance to answer questions.

Chairperson Dreher asked if Board members had any questions or comments, and hearing none, he asked for a motion to adopt the Resolution.

**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. 617**

**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") consisting of (i) current refunding of the following Authority obligations issued for the State System of Higher Education, SSHE Revenue Bond, Series U of 2002; (ii) current refunding of the following Authority obligations issued for the State System of Higher Education, SSHE Revenue Bond, Series W of 2002; (iii) current refunding of the following Authority obligations issued for the State System of Higher Education, SSHE Revenue Bond, Series X of 2003; and (iv) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds; provided, however, that the Executive Director or Assistant Executive Director of the Authority, 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 \$113,000,000 in aggregate principal amount of 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 Revenue Bonds, Series of 2012" with an appropriate alphabetical series designation, commencing with the letter "AN" (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 or Assistant 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 or Assistant 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, 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 or Assistant Executive Director of the Authority. 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 of the Authority is hereby authorized. The Executive Director or Assistant Executive Director of the Authority 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 or Assistant 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 or Assistant 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 and/or female participation at the co-manager level. The President, any Vice President, the Executive Director or the Assistant Executive Director of the Authority 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 Public 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 or Assistant Executive Director with the advice of bond counsel and Authority counsel, is hereby authorized and approved. The Executive Director or Assistant Executive Director is hereby authorized and directed to distribute such forms of Public Invitation for Proposals and Proposal among and to prospective purchasers of the Bonds.

6. The President, any Vice President, the Executive Director or Assistant Executive Director of the Authority 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 or Assistant 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 or Assistant Executive Director of the Authority.

8. The President, the Vice President or the Executive Director or the Assistant Executive Director of the Authority 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 or the Assistant Executive Director of the Authority with the advice of bond counsel. The Executive Director or the Assistant 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 or the Assistant Executive Director of the Authority 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 Rhoads & Sinon LLP 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, the Vice President, the Executive Director and the Assistant 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 Institutions 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.

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 **Ms. Flinn**, and **SECONDED** by **Secretary Phillips**, and after full discussion, the above Resolution was approved at the PHEFA Board Meeting of February 9, 2012.

**EXHIBIT A**

**STATE SYSTEM OF HIGHER EDUCATION**

**SERIES AN OF 2012**

<u>Docket No.</u>	<u>Counties</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
617	Various	(i) current refunding of the following Authority obligations issued for the State System of Higher Education, SSHE Revenue Bond, Series U of 2002; (ii) current refunding of the following Authority obligations issued for the State System of Higher Education, SSHE Revenue Bond, Series W of 2002; (iii) current refunding of the following Authority obligations issued for the State System of Higher Education, SSHE Revenue Bond, Series X of 2003; and (iv) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds.	\$113,000,000

**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.

**Underwriter:** To be determined by Competitive Bid.

**Bond Counsel:** At the request of the System, Rhoads & Sinon LLP has been appointed Bond Counsel by the Office of General Counsel.

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

**Minority and/or Female Participation in this Financing:** Bid specifications will be written to specify that the successful underwriting syndication must include minority and/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 February 9, 2012.

### **3. APPROVAL OF PROJECTS (CONTINUED).**

#### **B. Resolution Authorizing the Undertaking of a Project on Behalf of The Foundation for Indiana University of Pennsylvania.**

Mr. Baccon explained that The Foundation for Indiana University of Pennsylvania has requested that we issue a maximum of \$44,000,000 in fixed rate revenue refunding bonds to finance the refunding of all or a portion of the bank indebtedness incurred for the benefit of the Foundation in June 2009.

Morgan Keegan & Company will serve as the Underwriter and a Trustee will be selected in consultation with the Authority. At the request of the Foundation, the Office of General Counsel has appointed Cohen & Grigsby as the Bond Counsel for this issue.

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

Gavin Murrey of Morgan Keegan, Chuck Brodbeck of Cohen & Grigsby, Jackie Brown of FIUP and Dean Richardson of Eckert Seamans are all participating by conference call to answer any questions that board members may have.

Chairperson Dreher asked the Board members if they had any questions.

Mr. Craig asked what the rating of investment grade means and what is it based upon.

Mr. Murrey said that the existing bonds have not been rated because they are in a bank loan mode. They had a meeting with Standard & Poors last week and they are anticipating a rating of somewhere in the BBB range.

Mr. Craig asked what would underlie the assumption to rate it at BBB.

Mr. Murrey said that based on project financings, the only security for the bond issue would be the revenue from the 600 students who live in the building. It is not supported by the university or the PSSHE system. The credit rating from the bonds is based on the revenue coming in from the students, which is how all of these student housing projects have been structured within the PSSHE system.

Mr. Craig asked if the amount of appropriation each year from the Commonwealth impact the investment rating as it may relate to tuition, tuition inflation and students attending.

Mr. Murrey said that discussion does come up about that issue, especially last year when a major cut was proposed. None of that money comes in to pay the debt service on these bonds. He presumes the reason the question is asked is what impact that would have on the viability of the System to remain competitive.

Mr. Craig asked Chairperson Dreher if it was typical for the Board to approve a debt issuance prior to a rating.

Mr. Baccon said that they are voted on in anticipation of the rating based on the Underwriter's assumption that the rating will be investment grade or better.

Mr. Craig asked if it appropriate for our motion to approve to be contingent upon a BBB rating and that when the rating comes down we are provided a copy of that report.

Chairperson Dreher asked if it was fair to say that the transaction would not proceed if it was not rated at least investment grade.

Mr. Murrey said that it would be very unlikely that they would move ahead if they did not at least receive an investment grade rating.

Mr. Brodbeck said that it is possible that it might be privately placed. It would be the decision of the Foundation as to the economic benefits. In this case you have a bank loan that is going to mature in four years, so in this case it gives it a longer term maturity.

Chairperson Dreher asked if it is privately placed would it be rated.

Mr. Brodbeck said that it wouldn't be necessary.

Mr. Craig asked for an explanation of how a private sale could be done through the Authority.

Mr. Baccon said that a private sale would be a tax exempt issue, so we are still the conduit issuer of the tax exempt debt even though the purchaser might be an individual bank.

Mr. Craig asked if BBB is on the lower end of the ladder.

Mr. Murrey said that he was correct.

Mr. Craig suggested that they approve the project subject to a BBB rating or higher and each of the members of the Board be provided an investment report when it is complete.

Chairperson Dreher asked if anyone was opposed to Mr. Craig's motion.

Chairperson Dreher asked that the record reflect the additional recommendation to the motion.

Chairperson Dreher asked if there was any other discussion on the project, and hearing none, he asked for a motion to adopt the amended Resolution.

**RESOLUTION OF THE  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
AUTHORIZING  
THE UNDERTAKING OF A PROJECT ON BEHALF OF  
THE FOUNDATION FOR INDIANA UNIVERSITY OF PENNSYLVANIA  
SERIES OF 2012**

**DOCKET NO. 618**

**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 Foundation for Indiana University of Pennsylvania (the "Foundation") consisting of (i) the refunding of all or a portion of the bank indebtedness incurred by the Indiana County Industrial Development Authority on behalf of the Foundation in June 2009 to finance all or a portion of the costs of construction of student housing facilities on the campus of Indiana University of Pennsylvania; (ii) the funding of any necessary reserves; and (iii) the payment of costs of issuing the Bonds (as hereinafter defined) (including, without limitation, Authority and Trustee fees, legal fees and expenses, financial advisory fees and expenses, fees and expenses of other consultants and an underwriter's discount); provided, however, that the Executive Director or the Assistant Executive Director of the Authority, at the request of the Foundation, 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. The Authority does hereby authorize the issuance of tax-exempt or taxable bonds (collectively, the "Bonds") in one or more series in an aggregate principal amount not expected to exceed \$44,000,000, which Bonds shall be designated "Pennsylvania Higher Educational Facilities Authority Revenue Refunding Bonds, Series 2012 (The Foundation for Indiana University of Pennsylvania Student Housing Project at Indiana University of Pennsylvania) or similar designation, to be issued under one or more trust indentures or similar agreements (collectively, the "Indenture") between the Authority and a trustee to be selected by the Foundation (the "Trustee").

The Bonds are expected to bear interest at a fixed taxable and/or tax-exempt rate of interest acceptable to the Foundation, shall mature in such principal amounts and at such times, all as approved by the Executive Director or the Assistant Executive Director in consultation with the Foundation and as further provided in the Bond Purchase Agreement hereinafter defined and described.

The Bonds shall be limited obligations of the Authority, payable only from payments made by the Foundation under the Loan Agreement (as hereinafter defined). The

Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the Indenture and approved by the Executive Director or the Assistant Executive Director of the Authority. The execution of the Bonds with the manual or facsimile signature of the President or any Vice 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 the Assistant Secretary of the Authority is hereby authorized. The Executive Director or the Assistant Executive Director of the Authority is hereby authorized to deliver the Bonds to the Trustee for authentication, and to execute and deliver instructions to the Trustee 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.

3. The proceeds from the sale of the Bonds shall be loaned to the Foundation pursuant to the terms of one or more loan or similar agreements to be entered into between the Authority and the Foundation (collectively, the "Loan Agreement"), and shall be applied by the Foundation for and toward the costs of the Project.

4. The President, any Vice President, Executive Director or the Assistant Executive Director is hereby authorized on behalf of the Authority to negotiate with the underwriter, hereinafter appointed, for an acceptable proposal, for the purchase of any series of the Bonds issued hereunder, and to enter into one or more purchase agreements (the "Bond Purchase Agreement") 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 or Assistant Executive Director of the Authority is hereby authorized to execute and deliver the particular Bond Purchase Agreement 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.

5. 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: (a) the Indenture and the Loan Agreement and any supplement thereto required in connection with the issuance of the Bonds; (b) the Bond Purchase Agreement; and (c) any other document to which the Authority is a party and which is required in connection with the financing of the Project, including a continuing disclosure agreement, if so required; all in such form as shall be acceptable to Bond Counsel, the Attorney General of the Commonwealth, the Office of General Counsel and Authority Counsel and as shall be approved by the Executive Director or Assistant Executive Director of the Authority.

6. The President, the Vice President, the Executive Director or the Assistant Executive Director of the Authority, and each of them is hereby authorized to execute, acknowledge and deliver in the name 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.

7. 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 or Assistant Executive Director of the Authority with the advice of Bond Counsel. The Executive Director or Assistant Executive Director is hereby authorized to execute any such preliminary official statement and/or final official statement in the name and on behalf of the Authority, and such execution by the Executive Director or Assistant Executive Director of the Authority 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 offer and sale of the Bonds is hereby authorized.

8. Morgan Keegan & Company, Inc. (or a related or successor entity) is hereby appointed and authorized as managing underwriter in connection with the Bonds.

The Executive Director or Assistant Executive Director of the Authority is hereby authorized to select, in consultation with the Foundation, a bank or trust company to act as Trustee under the Indenture in connection with the issuance of the Bonds. At the request of the Foundation, the Office of General Counsel has appointed Cohen & Grigsby, P.C. as the Bond Counsel for this issue.

9. 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.

10. 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.

11. The appropriate officers of the Authority, including the President, the Vice President, the Executive Director and the Assistant Executive Director, 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, the Loan Agreement, the Bond Purchase Agreement, a continuing disclosure agreement, if required, the distribution of a preliminary official statement and/or final official statement, if applicable, and the issuance and sale of the Bonds, all in accordance with this Resolution.

12. The appropriate officers of the Authority, including the President, the Vice President, the Executive Director and the Assistant 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 Project (collectively, the "Bond Documents") requested by the Foundation 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.

13. 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 **Ms. Pike-Nase**, and **SECONDED** by **Ms. Flinn**, and after full discussion, the above Resolution was approved at the PHEFA Board Meeting of February 9, 2012, subject to the financing receiving at least an investment grade rating (in the "BBB" category) and the Board receiving the ratings report when available.

**EXHIBIT A**

**THE FOUNDATION FOR INDIANA UNIVERSITY OF PENNSYLVANIA,  
REVENUE REFUNDING BONDS**

**SERIES OF 2012**

<b><u>Docket No.</u></b>	<b><u>County</u></b>	<b><u>Project Description</u></b>	<b><u>Maximum Amount to be Financed</u></b>
618	Indiana	Refunding of all or a portion of the bank indebtedness incurred by the Indiana County Industrial Authority on behalf of the Foundation in June 2009 to finance the costs of construction of student housing facilities on the campus of Indiana University of Pennsylvania; the funding of a debt service reserve; and the payment of other costs and expenses.	\$44,000,000

**Term:** Up to 35 years.

**Rate:** Fixed Rate; tax-exempt and/or taxable.

**Rating:** Investment Grade.

**Bond Counsel:** At the request of the Foundation, the Office of General Counsel appointed Cohen & Grigsby, P.C.

**Trustee:** To be appointed by the Authority in consultation with the Foundation.

**Minority and/or Female Participation in this Financing:** To be determined by the Foundation in consultation with the Executive Director or Assistant Executive Director of the Authority.

Approved at the PHEFA Board Meeting of February 9, 2012.

### **3. APPROVAL OF PROJECTS (CONTINUED).**

#### **C. Resolution Authorizing the Execution of Amendments and Other Documents In Connection With Bonds Issued in 2008 on Behalf of The Foundation for Indiana University of Pennsylvania.**

Mr. Baccon explained that The Foundation for Indiana University of Pennsylvania has requested that the board authorize and approve certain actions which may be required in connection with PHEFA's outstanding Variable Rate Demand Revenue Bonds, Series 2008. Such actions may include execution and delivery of amendments to the Trust Indenture and other documents relating to the Bonds, documents that may be required in connection with a reissuance of the Bonds for federal income tax purposes, and execution and delivery of documents in connection with an amendment to the documents relating to the Bonds to provide for a Bank Mode which may become available for the Bonds in the event that the Bonds are purchased and held by a bank.

Morgan Keegan & Company is the Remarketing Agent for the Bonds. U.S. Bank National Association is Trustee for the Bonds. At the request of the Foundation, the Office of General Counsel has appointed Cohen & Grigsby as the Bond Counsel for this issue.

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

Gavin Murrey, Chuck Brodbeck, Jackie Brown and Dean Richardson are available to answer questions.

Chairperson Dreher asked for questions or comments.

Mr. Craig asked to have someone walk him through the transaction.

Mr. Murrey explained that the bonds were issued in 2008 as a variable rate bond issue with a Citizen's Bank letter of credit. In 2009, when Citizen's Bank was downgraded by S&P, a Federal Home Loan Bank Wrap was added to bring the project back to AAA. Since 2009, Citizen's Bank was upgraded by S&P, back to where their rating was previously. Citizen's paper is trading at very strong levels without the Federal Home Loan Bank Wrap. FIUP is considering dropping the Federal Home Loan Bank Wrap now that Citizen's has been upgraded. When Citizen's was downgraded, the wrap was put on to strength the credit rating of the paper. FIUP is paying for the Federal Home Loan Bank Wrap. The wrap may not be necessary, so they may decide to drop that wrap.

Mr. Craig asked what current rating of Citizen's Bank was and is the paper considered to be A rated or AAA because of the Federal Home Wrap.

Mr. Murrey said that the S&P rating is an A and with Moody's and Fitch they are at that level or higher. The paper has an AAA because of the wrap. If the wrap is removed, the bonds would be put back into the market place with just the rating of Citizen's Bank. Investors currently own the bonds and would continue to own the bonds in that scenario. The Resolution also gives the ability to FIUP to place the bonds for a longer period of time with a bank. Either take the wrap off or directly place the bonds with a bank. If they are held by a bank it would be considered a private placement and they would not go through the rating process because the banks would not require them to be rated. If a bank is going to buy and hold the bonds themselves, they are not concerned about the bank's rating. The reason they are concerned about the bank's rating when they are in a variable rate demand bond mode, third party investors are buying those bonds based on the credit rating of the bank. That is why their credit rating is so important right now. If FIUP moved to a direct placement mode the bank would be the investor and held the bonds, then the interest rate paid by FIUP would not change based on the bank's credit rating.

Mr. Craig asked how these bonds are paid. Are they paid similar to the prior issue that we did.

Mr. Murrey answered that the credit structure would not change. It is still based on the revenues of that phase. There are four phases. This would be the phase three project. That is around 1,000 beds. Those beds would be paying this bond issue.

Mr. Craig asked if under these circumstances where there are so many different options after the issuance of the bonds, is the Authority notified as to which option was used.

Mr. Baccon said yes.

Chairperson Dreher asked if there were any other questions or comments from Board members, and hearing none, he asked for a motion to adopt the Resolution.

**RESOLUTION OF THE  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
AUTHORIZING  
CERTAIN ACTIONS IN CONNECTION WITH THE SERIES 2008 BONDS  
PREVIOUSLY ISSUED ON BEHALF OF THE  
FOUNDATION FOR INDIANA UNIVERSITY OF PENNSYLVANIA**

**DOCKET NO. 566**

WHEREAS, the Pennsylvania Higher Educational Facilities Authority (the "Authority") previously issued \$73,440,000 aggregate principal amount of its Variable Rate Demand Revenue Bonds (Foundation for Indiana University of Pennsylvania Student Housing Project at Indiana University of Pennsylvania), Series 2008 (the "Bonds"); and

WHEREAS, the Bonds were issued to finance a project (the "Project") on behalf of The Foundation for Indiana University of Pennsylvania (the "Foundation") consisting of (i) the acquisition, construction, equipping and furnishing of a third phase of student housing facilities on the campus of Indiana University of Pennsylvania consisting of approximately 1,050 beds, together with related facilities and improvements, and demolition of certain existing buildings; (ii) funding of capitalized interest and any necessary reserves; (iii) payment of the costs of bond insurance and/or another form of credit and/or liquidity enhancement; and (iv) payment of costs of issuing the Bonds; and

WHEREAS, the Bonds were issued pursuant to a Trust Indenture dated as of May 1, 2008 (the "Indenture") between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), and the proceeds from the sale of the Bonds were loaned by the Authority to the Foundation pursuant to the terms of a Loan Agreement dated as of May 1, 2008 between the Authority and the Foundation (the "Loan Agreement") and were applied by the Foundation for and toward the costs of the Project; and

WHEREAS, the Bonds initially bore and have continued to bear interest at a Weekly Rate (as defined in the Indenture), with liquidity and credit support for the Bonds provided by a letter of credit (the "Letter of Credit") issued by Citizens Bank of Pennsylvania ("Citizens" or the "Bank"). The Bonds are limited obligations of the Authority, payable only from payments made by the Foundation under the Loan Agreement; and

WHEREAS, as a result of developments in the credit markets, including developments with respect to the parent of Citizens, Royal Bank of Scotland, the weekly interest rates on the Bonds were significantly higher than the SIFMA municipal market index and rates for the Bonds historically, so that the Foundation addressed the costs associated with such increase by causing a confirming letter of credit ("Confirming Letter of Credit") to be issued by one of the Federal Home Loan Banks ("FHLB") in 2009; and

WHEREAS, the Foundation believes that (1) its overall bond payments (including letter of credit fees) will be reduced if the Confirming Letter of Credit is released and/or (2) it may be in its interest to remove both the risk of replacing the Letter of Credit upon its stated expiration date and the risk of changes in the creditworthiness of a bank providing liquidity and credit support for the Bonds by amending the terms and provisions of the Bonds and the documents relating thereto, including the Indenture and the Loan Agreement, to provide for a "Bank Mode" pursuant to which the Bonds could be purchased and held by a bank, similar to a bank loan (such amendments resulting in a reissuance of the Bonds for federal income tax purposes);

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The Authority does hereby approve and authorize the following documents and actions relating to the Bonds: (a) execution and delivery of an amendment or supplement to the Indenture and the Loan Agreement amending the provisions of the Indenture, the Loan Agreement and/or the Bonds as may be required in connection with the addition of a "Bank Mode" for the Bonds; (b) execution and delivery of any other document or instrument that may be required in connection with an addition of a "Bank Mode" for the Bonds; (c) if the Bonds are remarketed other than in the Bank Mode, execution of and distribution by the remarketing agent for the Bonds of a remarketing circular, Official Statement supplement or other remarketing document (the "Remarketing Circular") to be used in connection with the remarketing of the Bonds and execution and delivery of any other document or instrument that may be required in connection with the remarketing of the Bonds; (d) execution and delivery of any document or instrument and taking of any other action that may be required in connection with or as a result of the reissuance of the Bonds for federal income tax purposes, including without limitation Form 8038 to be filed with the Internal Revenue Service, publication of a notice of public hearing pursuant to Section 147(f) of the Internal Revenue Code and conduct of a public hearing with respect to the matters contemplated by this Resolution; and (e) any other document to which the Authority is a party and which is required in connection with the foregoing; all documents and instruments authorized by the foregoing to be in such form as shall be acceptable to bond counsel, the Attorney General of the Commonwealth, the Office of General Counsel, and Authority counsel and as shall be approved by the Executive Director or Assistant Executive Director of the Authority.

2. The President, the Vice President, the Executive Director or the Assistant Executive Director of the Authority, and each of them is hereby authorized to execute, acknowledge and deliver in the name 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.

3. Any Remarketing Circular which may be used in connection with the remarketing of the Bonds shall be in such form as shall be approved by the Executive Director or the Assistant Executive Director of the Authority with the advice of Bond

Counsel. The Executive Director or the Assistant Executive Director is hereby authorized to execute any such Remarketing Circular in the name and on behalf of the Authority, and such execution by the Executive Director or Assistant Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval of such documents. The circulation and distribution of copies of any such Remarketing Circular in connection with the remarketing of the Bonds is hereby authorized.

4. 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 actions as they shall deem necessary in order to effectuate the actions described above with respect to the Bonds, all in accordance with this Resolution.

5. The appropriate officers of the Authority, including the President, the Vice President, the Executive Director and the Assistant 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 Project (collectively, the "Bond Documents") requested by the Foundation 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.

6. 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 **Representative Bear**, and **SECONDED** by **Ms. Flinn**, and after full discussion, the above Resolution was approved at the PHEFA Board Meeting of February 9, 2012.

**EXHIBIT A**

**THE FOUNDATION FOR INDIANA UNIVERSITY OF PENNSYLVANIA**

**ACTIONS RELATING TO SERIES 2008 BONDS**

<b><u>Docket No.</u></b>	<b><u>County</u></b>	<b><u>Project Description</u></b>	<b><u>Maximum Amount to be Financed</u></b>
566	Indiana	Approval of execution of various documents and taking of various actions in connection with the Authority's outstanding Series 2008 Bonds issued in 2008 on behalf of the Foundation.	N/A

**Term:** The Bonds mature on July 1, 2040 subject to optional and mandatory redemption as provided in the Indenture.

**Rate:** Variable Rate; tax-exempt.

**Rating/Insurance:** It is expected that the Bonds will be held by a bank and are not expected to be required to be rated for as long as they are held by a bank. If the Bonds are not purchased and held by a bank, the rating will be based on the credit and liquidity enhancement for the Bonds.

**Underwriter/Remarketing Agent:** Morgan Keegan & Company, Inc.

**Bond Counsel:** At the request of the Foundation, the Office of General Counsel appointed Cohen & Grigsby, P.C.

**Trustee:** U.S. Bank National Association.

**Minority and/or Female Participation in this Financing:** To be determined by the Foundation in consultation with the Executive Director or Assistant Executive Director.

Approved at the PHEFA Board Meeting of February 9, 2012.

### **3. APPROVAL OF PROJECTS (CONTINUED).**

#### **D. 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 and its members have requested that we issue a maximum of \$150,000,000 in Revenue Bonds to finance certain capital projects of the System.

The System will select one or more Underwriters after consultation with the Authority. U.S. Bank National Association has been selected as the Trustee for the Bonds. At the request of the System, the Office of General Counsel has appointed Ballard Spahr as the Bond Counsel for this issue.

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

Thomas Cooper of the System, Helen Kreider of the University and Kevin Cunningham of Ballard Spahr are all participating by conference call to answer any questions that board members may have.

Chairperson Dreher asked if there were any questions or comments from Board members, and hearing none, he asked for a motion to adopt the Resolution.

**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. 619**

**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 ("Wissahickon Hospice"); and (vi) Clinical Care Associates of the University of Pennsylvania Health System ("CCA") (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, Wissahickon Hospice and CCA are wholly controlled affiliates of the University. The Project consists generally of (a) the financing of certain capital projects of the System; (b) the payment of capitalized interest on the Bonds (as defined below); and (c) the payment of certain costs of issuance in respect of the Bonds; provided, however, that the Executive Director or Assistant 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 or Assistant 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 \$150,000,000 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 or Assistant 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 or Assistant 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, 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 or Assistant 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 or Assistant 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 (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, 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 or Assistant 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 or Assistant Executive Director of the Authority with the approval of the University. The President, any Vice President or the Executive Director or the Assistant 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 or Assistant Executive Director of the Authority is hereby authorized to enter into one or more bond purchase agreements relating to the underwriting 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 or the Assistant 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 or Assistant Executive Director of the Authority.

11. The President, the Vice President or the Executive Director or Assistant 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 or Assistant Executive Director of the Authority with

the advice of bond counsel. The Executive Director or Assistant 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 or Assistant 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 of the Bonds of each series shall be appointed by the University and approved by the Executive Director or Assistant Executive Director of the Authority, such approval to be evidenced by his or her execution of the bond purchase agreement. Any underwriter so appointed and approved shall be authorized to act as the underwriter of the Bonds of such series. At the request of the University of Pennsylvania Health System, the Office of General Counsel has appointed Ballard Spahr LLP as the Bond Counsel for this issue. The Executive Director or Assistant 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, the Vice President, the Executive Director and the Assistant 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 **Representative Bear**, and **SECONDED** by **Secretary Phillips**, and after full discussion, the above Resolution was approved at the PHEFA Board Meeting of February 9, 2012.

## EXHIBIT A

### THE UNIVERSITY OF PENNSYLVANIA HEALTH SYSTEM AND ITS MEMBERS

#### SERIES of 2012

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
619	Philadelphia	(i) The financing of certain capital projects of the System; (ii) the payment of capitalized interest on the Bonds; and (iii) the payment of costs of issuing the Bonds	\$150,000,000

**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:** The underwriters of the Bonds shall be appointed by the University and approved by the Executive Director or Assistant Executive Director of the Authority.

**Bond Counsel:** At the request of the System, the Office of General Counsel appointed Ballard Spahr LLP.

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

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

Approved at the PHEFA Board meeting of February 9, 2012.

### **3. APPROVAL OF PROJECTS (CONTINUED).**

#### **E. Resolution Authorizing Execution of Amendments and Other Documents in Connection with Bonds Issued in 2008 on Behalf of the University of Pennsylvania Health System and its Members.**

Mr. Baccon explained that The University of Pennsylvania Health System and its members have requested that we undertake a Project consisting of the restructuring of PHEFA's The University of Pennsylvania Health System Variable Rate Revenue Bonds, Series A of 2008. The restructuring may include securing the payment of principal and purchase price of, and interest on, the 2008A Bonds with a new irrevocable, direct-pay letter of credit from one or more banks; supporting the purchase price of the 2008A Bonds with a standby bond purchase agreement or other type of liquidity facility; the provision of self-liquidity for the 2008A Bonds by the members of the System; or the direct purchase of the 2008A Bonds by one or more banks and the amendment of certain documents relating to the 2008A Bonds.

U.S. Bank National Association is the Trustee for the Bonds. At the request of the System, the Office of General Counsel has appointed Ballard Spahr as the Bond Counsel for this issue.

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

Thomas Cooper, Helen Kreider and Kevin Cunningham are available to answer questions.

Chairperson Dreher asked if there were any questions or comments from Board members, and hearing none, he asked for a motion to adopt the Resolution.

**RESOLUTION OF THE  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
AUTHORIZING  
CERTAIN ACTIONS IN CONNECTION WITH THE SERIES A OF 2008 BONDS  
PREVIOUSLY ISSUED ON BEHALF OF  
THE UNIVERSITY OF PENNSYLVANIA HEALTH SYSTEM AND ITS MEMBERS**

**DOCKET NO. 567**

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The Pennsylvania Higher Educational Facilities Authority (the “Authority”) shall undertake a restructuring 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 (“Wissahickon Hospice”); and (vi) Clinical Care Associates of the University of Pennsylvania Health System (“CCA”) (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, Wissahickon Hospice and CCA are wholly controlled affiliates of the University. The Project consists generally of the restructuring of the Authority’s \$105,805,000 aggregate principal amount of The University of Pennsylvania Health System Variable Rate Revenue Bonds, Series A of 2008, of which \$105,805,000 is outstanding (the “2008A Bonds”), which may include (a) securing the payment of principal and purchase price of, and interest on, the 2008A Bonds with a new irrevocable, direct-pay letter of credit from one or more banks; (b) supporting the purchase price of the 2008A Bonds with a standby bond purchase agreement or other type of liquidity facility; (c) the provision of self-liquidity for the 2008A Bonds by the Members of the System; or (d) the direct purchase of the 2008A Bonds by one or more banks and the amendment of certain documents relating to the 2008A Bonds, all of which may require the amendment of certain documents relating to the 2008A Bonds; *provided*, however, that the Executive Director or Assistant 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 connection with the Project, the Authority will amend certain documents relating to the 2008A Bonds including the Seventh Supplemental Trust Indenture dated as of April 1, 2008 (the “Indenture”) between the Authority and U.S. Bank National Association, as trustee and such other documents, agreements, certificates or other instruments as may be necessary or useful in connection with the Project and the other transactions contemplated herein.

3. The President, any Vice President or the Executive Director or Assistant Executive Director of the Authority is hereby authorized to enter into one or more placement agreements or continuing covenant agreements relating to the sale of the Bonds to one or more banks in accordance with the terms of this resolution and the President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director or the Assistant Executive Director is hereby authorized to execute and deliver the placement agreements or continuing covenant agreements 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.

4. The Authority does hereby authorize the execution and delivery of any of the following documents relating to the Bonds and the Project: the amendments authorized in Section 2, any placement agreements or continuing covenant agreements, 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 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 or Assistant Executive Director of the Authority.

5. The President, the Vice President or the Executive Director or Assistant 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.

6. Any remarketing memorandum which may be used in connection with the remarketing of the Bonds shall be in such form as shall be approved by the Executive Director or Assistant Executive Director of the Authority with the advice of bond counsel. The Executive Director or Assistant Executive Director of the Authority shall be and hereby is authorized and directed to execute any such remarketing memorandum or other offering document, and the execution by the Executive Director or Assistant 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 remarketing of the Bonds.

7. The appropriate officers of the Authority, including the President, the Vice President, the Executive Director and the Assistant 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 Project (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.

8. 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 **Ms. Flinn**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was approved at the PHEFA Board Meeting of February 9, 2012.

## EXHIBIT A

### THE UNIVERSITY OF PENNSYLVANIA HEALTH SYSTEM AND ITS MEMBERS

#### SERIES A OF 2008

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
567	Philadelphia	The restructuring of the 2008A Bonds, which may include (a) securing the payment of principal and purchase price of, and interest on, the 2008A Bonds with a new irrevocable, direct-pay letter of credit from one or more banks; (b) supporting the purchase price of the 2008A Bonds with a standby bond purchase agreement or other type of liquidity facility; (c) the provision of self-liquidity for the 2008A Bonds by the Members of the System; or (d) the direct purchase of the 2008A Bonds by one or more banks and the amendment of certain documents relating to the 2008A Bonds	N/A

**Rating/Credit Enhancement:** The Bonds are expected to be rated Aa3 by Moody's and AA- by S&P. 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.

**Bond Counsel:** At the request of the System, the Office of General Counsel appointed Ballard Spahr LLP.

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

Approved at the PHEFA Board meeting of February 9, 2012.

**4. OLD BUSINESS.**

Chairperson Dreher asked if there was any old business to come before the Board, and hearing none, he moved to new business.

**5. NEW BUSINESS.**

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

**6. ADJOURNMENT.**

There being no further business to come before the Board at this time, upon **MOTION** by **Ms. Flinn**, and **SECONDED** by **Representative Bear**, the PHEFA Board Meeting was adjourned at 11:02 a.m.

Meeting Notices

Meeting Notices

Contact Name: Connie Harflaub - 787-9495

**Managed Care Delivery System Subcommittee Meeting - February 09, 2012, 10:00 AM.** The Child Welfare Training Ctr., 403 E. Winding Hill Rd., Mechanicsburg.  
Time: 10 AM - 12 PM  
Contact Name: Alinda Burrell - 705-8232

**PA Fish and Boat Commission, Boating Advisory Board Meeting - February 09, 2012, 9:00 AM.** PA Fish and Boat Commission, (Susq. Conf. Rm.), 1601 Elmerton Ave., HBG.

If you wish to attend the meeting and require an auxiliary aid, service or other accommodation to participate in the proceedings, contact the org, at 717-705-7834 or the PA AT&T Relay Service at 1-800-654-5984 (TDD) to discuss how the Commission may accommodate you.

Contact Name: Jean Davis - 705-7834

**SPECIAL: State Public School Building Authority Meeting - February 09, 2012, 10:30 AM.** Irvis Office Bldg., Rm. 302, HBG.

Add'l Special Mtg., PA Higher Educational Facilities Authority, same above date/time & location.

Contact Name: Bev Nawa - 975-2204

**Long Term Care Subcommittee Meeting of the Medical Assistance Advisory Committee Meeting - February 14, 2012, 10:00 AM.** Forum Place, 5th Fl., Conf. Rm. B & C, 555 Walnut St., HBG. Time: 10 AM - 12 PM

Contact Name: Yvette Sanchez-Roberts - 265-7569

**State Civil Service Commission Meeting - February 15, 2012, 10:30 AM.** 320 Market St., 4th Fl. Meeting Rm., HBG.

Contact Name: Michael Sullivan - 787-5343

**2012 PA Minority Business Development Authority (PMBDA) Board Meetings - February 16, 2012, 10 AM.** Commonwealth Keystone Bldg., 4th Fl., Conf. Rm. 4 East, 400 North St., HBG.

Add'l Mtgs.: 3/15, 4/19, 5/17, 6/21, 7/19, 8/16, 9/20, 10/18, 11/15, 12/20 same above time/location.

Contact Name: C. Alan Walker - 787-3003

**Consumer Subcommittee Meeting of the Medical Assistance Advisory Committee - February 22, 2012, 1:00 PM.** Health & Welfare Bldg., Rm. 327, HBG.

Time: 1 PM-3:30 PM

Contact Name: Daniel Sorge - 772-6341

**Medical Assistance Advisory Committee Meeting - February 23, 2012, 10 AM.** Temple University HBG, Lecture Hall 246/248, 234 Strawberry Sq., HBG.

Time: 10 AM- 12 PM

Contact Name: Daniel Sorge - 772-6341

**Organ Donation Advisory Committee Meeting - March 01, 2012, 10:00 AM.** Giant Community Ctr., Giant Food Store, 2nd Fl., 3301 Trindle Rd., Camp Hill.

Time: 10 AM - 3 PM

Contact Name: Cyndi Malinen - 346-3975

**RESCHEDULED: DEP, Air Quality Technical Advisory Committee Meeting - March 14, 2012, 9:15 AM.** RCSOB, Rm. 105, HBG.

Contact Name: Connie Harflaub - 787-9495

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
Notice of the Meeting of the Board to be Held  
February 9, 2012

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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, February 9, 2012**, at **10:30 a.m.**, in **Room 302 Irvis 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  
Assistant Executive Director

Enclosures

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Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the February 9, 2012, meetings was dispatched to the following on January 25, 2012, 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  
Rick Dreher, Proxy for Governor Corbett  
7<sup>th</sup> Floor, Verizon Tower, Harrisburg, PA  
Jeffrey E. Piccola, Designated by the President Pro Tempore of the Senate  
173 Main Capitol Building, Harrisburg, PA  
Andrew E Dinniman, Designated by the Minority Leader of the Senate  
183 Main Capitol Building, Harrisburg, PA  
John C. Bear, Designated by the Speaker of the House of Representatives  
145B East Wing, 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  
Jack E. Wagner, Auditor General  
229 Finance Building, Harrisburg, PA  
Sheri L. Phillips, Secretary of General Services  
515 North Office Building, Harrisburg, PA  
Ronald J. Tomalis, Secretary of Education  
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 25th day of January 2012.

/s/ Robert Baccon

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