

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
September 22, 2011
SPSBA/PHEFA Conference Room
1035 Mumma Road
Wormleysburg, Pennsylvania
10:30 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 May 26, 2011.
3. Financial Reports for the Months of May, June, July & August 2011.
4. Audit Committee Report.
5. School Subsidy Program Report.
6. Revolving Loan Fund.
7. Approval of Projects.
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of the Community College of Allegheny County.
 - B. Resolution Authorizing the Undertaking of a Project on Behalf of the Joint Operating Committee of the Indiana County Technology Center.
 - C. Resolution Authorizing the Undertaking of a Project to Finance the Qualified School Construction Bond Program.
 - D. Resolution Authorizing the Undertaking of a Project to Finance the Qualified Zone Academy Bond Program.
8. Old Business.
9. New Business.
10. 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 State Public School Building Authority was called to order on Thursday, September 22, 2011 at 10:30 a.m. prevailing time, at the SPSBA/PHEFA Office, 1035 Mumma Road, 2nd Floor, Wormleysburg, 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)
Karen Seivard, (Proxy for Senator Jeffrey E. Piccola)
Eileen Flinn, (Proxy for Senator Andrew E. Dinniman)
Representative John C. Bear
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
Christopher Craig, (Proxy for State Treasurer Robert M. McCord)
Christal Pike-Nase, (Proxy for Auditor General Jack E. Wagner)
James Henning, (Proxy for Secretary of General Services Sheri L. Phillips)
Nichole Duffy, (Proxy for Secretary of Education Ronald J. Tomalis)

Authority Personnel Present

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

Also Present

William McCarty, Esquire, Hartman Underhill & Brubaker
Jamie Doyle, Senior Managing Consultant, Public Financial Management
Linda Eremita, Managing Director, M&T Securities
Stephen Tuckey, Esquire, Office of the Republican Leader of the House of Representatives

Participated Via Conference Call

Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC
Paul Swearingin, Controller, Community College of Allegheny County
Steve Park, Esquire, Ballard Spahr LLP
Christopher McNichol, Director, Citigroup Global Markets
Charles Peck, Vice President, Morgan Stanley & Co.
Charles Brodbeck, Esquire, Cohen & Grigsby
Gavin Murrey, Director, Morgan Keegan & Company

Leigh Ann Lincoln, Chief Financial Officer, Student Association Inc. at California
University of Pennsylvania
Keith Skirpan, Senior Accountant, Student Association Inc. at California
University of Pennsylvania

2. APPROVAL OF THE MINUTES OF THE MEETING OF MAY 26, 2011.

A copy of the minutes of the meeting of May 26, 2011, 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 SPSBA meeting of May 26, 2011, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Flinn**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of September 22, 2011.

3. FINANCIAL REPORTS FOR THE MONTHS OF MAY, JUNE, JULY & AUGUST 2011.

The Financial Reports for the months of May, June, July and August were emailed to Board Members prior to this meeting.

It is recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the Financial Reports of the State Public School Building Authority for the months of May, June, July and August 2011 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Ms. Flinn**, and **SECONDED** by **Representative Bear**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of September 22, 2011.

4. AUDIT COMMITTEE REPORT.

Ms. Pike-Nase explained that the Audit Committee meeting had to be rescheduled because of the flooding in Harrisburg. It occurred on September 16th. The meeting went very well. The only major issue was that the charter, which was adopted in May of 2005, should be updated. The Committee is working on doing this now. The Committee received an e-mail and she would like comments by October 7th.

Chairperson Dreher asked what some of the reasons were to update the charter.

Ms. Pike-Nase explained that the major reason was that they did not have a requirement for a quorum. There are also some other issues that they will try to incorporate. Dave Player has already sent her some good edits. There were some good provisions in the charter, but as governments have been changing, they might be able to tighten up some of the requirements.

The Audit Committee also met privately with the Auditors from KPMG and they had very positive comments about the staff cooperation especially with Dave.

Ms. Pike-Nase offered meeting minutes to any interested Board Members.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Representative Bear**, and after full discussion, the SPSBA Board accepted the Audited Financial Statements at the SPSBA Board Meeting of September 22, 2011.

5. SCHOOL SUBSIDY PROGRAM REPORT.

Mr. Baccon explained that we had one School Subsidy closing since the May meeting. The Franklin County Career received \$50,000 from the School Subsidy Program. We have one remaining project; the Career Technology Center of Lackawanna County will receive the remaining \$50,000 contribution when the project closes.

6. REVOLVING LOAN FUND.

Mr. Baccon explained that we had two project closings since the May meeting. We closed a loan to the Pennsylvania Highlands Community College for \$148,921 and we closed a loan to the Community College of Philadelphia for \$1,000,000.

7. APPROVAL OF PROJECTS.

A. Resolution Authorizing the Undertaking of a Project on Behalf of the Community College of Allegheny County.

Mr. Baccon explained that the Community College of Allegheny County has requested that we issue a maximum of \$16,500,000 in Revenue Bonds to finance the current refunding of the State Public School Building Authority College Revenue Bonds, Second Series of 2004.

The Underwriter will be selected by internet invited bid or by private negotiation. The US Bank National Association will serve as the Trustee. At the request of the College, the Office of General Counsel has appointed Houston Harbaugh 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.

Jamie Doyle, Senior Managing Consultant, Public Financial Management, Financial Advisor to the College is in attendance to answer questions and Paul Swearingin, Controller of the College is participating by phone.

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

**RESOLUTION OF THE
STATE PUBLIC SCHOOL BUILDING AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
THE COMMUNITY COLLEGE OF ALLEGHENY COUNTY**

DOCKET NO. 2388

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the "Authority") shall undertake the financing of a refunding project (the "Refunding Project") on behalf of the Community College of Allegheny County (the "College") consisting of: (a) the current refunding of the State Public School Building Authority College Revenue Bonds (Community College of Allegheny County Project) Second Series of 2004 (the "Prior Bond"), issued in the original aggregate principal amount of \$20,000,000 (of which \$15,515,000 remains outstanding); and (b) the payment of the costs and expenses of issuing and insuring the Bonds (defined below) and refunding the Prior Bond. At the request of the College, the Executive Director or Assistant Executive Director of the Authority shall have the power to add, delete or substitute for any component of the Refunding Project but only to the extent permitted by The State Public School Building Authority Act of 1947, as amended, the Department of Education, and the Federal income tax laws from time to time in effect.

2. In order to finance the Refunding Project, the Authority will enter into a Trust Indenture (herein referred to as the "Indenture") with the Trustee herein appointed, and shall issue up to \$16,500,000 in aggregate principal amount of bonds in one or more series (which may be issued on the same or different dates) to be designated as the "State Public School Building Authority College Revenue Bonds (Community College of Allegheny County Project) Series A of 2011" (such bonds being herein referred to as the "2011 Series A Bonds"). The 2011 Series A Bonds shall have a term not to exceed 15 years and shall bear interest at a fixed or variable rate acceptable to the College, 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 College and as further provided in a bond purchase agreement hereinafter defined and described.

The 2011 Series A 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 Assistant Executive Director of the Authority. The execution of the 2011 Series A Bonds with the manual or facsimile signature of the Governor of the Commonwealth of Pennsylvania, 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 Assistant Secretary of the Authority is hereby authorized. The Executive Director or Assistant

Executive Director of the Authority is hereby authorized to deliver the 2011 Series A Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the 2011 Series A 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.

3. The proceeds from the sale of the 2011 Series A Bonds shall be loaned to the College pursuant to the terms of a Loan Agreement between the Authority and the College (herein referred to as the "Loan Agreement"), and shall be applied by the College for and toward the costs of the Refunding Project including: (a) the current refunding of the Prior Bond on January 15, 2012, and (b) the payment of the costs and expenses of issuing and insuring the 2011 Series A Bonds.

4. The President, any Vice President, Executive Director or the Assistant Executive Director is hereby authorized on behalf of the Authority to enter into an acceptable purchase proposal (the "Bond Purchase Agreement") with an underwriter or underwriters (the "Underwriters"), which may be the Winning Bid following an internet auction of the sale of the 2011 Series A Bonds or selected upon invitation to bid or private negotiation or internet auction as requested by the College in consultation with the financial advisor to the College, for the purchase of the 2011 Series A Bonds issued 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 a 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 2011 Series A Bonds and the financing of the Refunding Project: the Indenture, the Loan Agreement, and any other documents required in connection with the issuance of the 2011 Series A Bonds; any remarketing agreement, auction agent agreement and/or indexing agent agreement if any of the 2011 Series A Bonds shall bear interest at a variable rate; any escrow deposit or other agreement required in connection with the refunding of the Prior Bond or any obligations connected with the Refunding Project; and any other document to which the Authority is a party and which is required in connection with the financing of the Refunding Project; 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 or the Executive Director or 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 2011 Series A 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 2011 Series A Bonds is hereby authorized.

8. The Underwriters shall be and are hereby authorized to purchase the 2011 Series A Bonds, upon the terms and conditions hereof and contained in the Bond Purchase Agreement. U.S. Bank National Association shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the 2011 Series A Bonds. At the request of the College, the Office of General Counsel has appointed Houston Harbaugh, P.C. as 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 2011 Series A Bonds and the implementation of this Resolution.

10. 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 Refunding 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.

11. 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.

12. 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 Refunding Project, the execution, delivery and receipt of the Indenture, the Loan Agreement, the Bond Purchase Agreement, the distribution of a preliminary official statement and/or final official statement and the issuance and sale of the 2011 Series A Bonds, all in accordance with this Resolution.

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. Flinn**, and **SECONDED** by **Representative Bear**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of September 22, 2011.

EXHIBIT A

COMMUNITY COLLEGE OF ALLEGHENY COUNTY

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
2388	Allegheny	Financing of: (a) the current refunding of the State Public School Building Authority College Revenue Bond (Community College of Allegheny County Project), Second Series of 2004 (the "Prior Bond"), issued in the original aggregate principal amount of \$20,000,000 (of which \$15,515,000 remains outstanding); and (b) the payment of the costs and expenses of issuing and insuring the Bonds (defined below) and refunding the Prior Bond.	\$16,500,000

Maximum Term: 15 years.

Interest Rate: Fixed or Variable at the time of issuance.

Rating/Insurance: Bond Insurance is anticipated.

Bond Counsel: Houston Harbaugh, P.C.

Trustee: U.S. Bank National Association.

Senior Underwriter: To be selected by invitation to bid or private negotiation or following an internet auction on the request of the College.

Minority and/or Female Participation in this Financing: Mountaintop Studios, a female-owned business, will be the printer for the Bonds.

Approved by the SPSBA Board at its meeting of September 22, 2011.

7. APPROVAL OF PROJECTS (CONTINUED).

B. Resolution Authorizing the Undertaking of a Project on Behalf of the Joint Operating Committee of the Indiana County Technology Center.

Mr. Baccon explained that the Joint Operating Committee of the Indiana County Technology Center has requested that we issue a maximum of \$3,800,000 in Revenue Bonds to finance the current refunding of the State Public School Building Authority School Revenue Bonds, Series of 2004.

The Underwriter will be selected by internet invited bid or by private negotiation. M&T Band will serve as the Trustee. At the request of the Technology Center, the Office of General Counsel has appointed Eckert, Seamans Cherin and Mellott 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.

Jamie Doyle, Senior Managing Consultant, Public Financial Management, Financial Advisor to the College is in attendance to answer.

Chairperson Dreher noted that the savings is approximately \$80,000. He asked if the refunding is being done for another purpose such as restructuring.

Ms. Doyle explained that it is a very small issue with only a little over \$3,000,000 left on it and the \$80,000 is in excess of the 2% net present value savings. The state actually gets the bulk of the savings because the school has a high state reimbursement percentage on this issue.

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

**RESOLUTION OF THE
STATE PUBLIC SCHOOL BUILDING AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
THE INDIANA COUNTY TECHNOLOGY CENTER**

DOCKET NO. 2389

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the "Authority") shall undertake the financing of a refunding project (the "Refunding Project") on behalf of the Joint Operating Committee of the Indiana County Technology Center (the "CTC") and Blairsville-Saltsburg School District, Homer-Center School District, Indiana Area School District, Marion Center Area School District, and Union School District (the "Participating School Districts") consisting of: (a) the current refunding of the State Public School Building Authority School Revenue Bonds (Indiana County Technology Center Project) Series of 2004 (the "Prior Bonds"), issued in the original aggregate principal amount of \$5,025,000 (of which \$3,855,000 remains outstanding of which \$3,640,000 matures after November 15, 2011); and (b) the payment of the costs and expenses of issuing and insuring the Bonds (defined below) and refunding the Prior Bonds. At the request of the CTC, the Executive Director or the Assistant Executive Director of the Authority shall have the power to add, delete or substitute for any component of the Refunding Project but only to the extent permitted by The State Public School Building Authority Act of 1947, as amended, the Department of Education, and the Federal income tax laws from time to time in effect.

2. In order to finance the Refunding Project, the Authority will enter into a Trust Indenture (herein referred to as the "Indenture") with the Trustee herein appointed, and shall issue up to \$3,800,000 in aggregate principal amount of bonds in one or more series (which may be issued on the same or different dates) to be designated as the "State Public School Building Authority School Revenue Bonds (Indiana County Technology Center Project)" with an appropriate series designation (such bonds being herein referred to as the "2011 Bonds"). The 2011 Bonds shall have a term not to exceed 13 years and shall bear interest at a fixed or variable rate acceptable to the CTC, 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 CTC and as further provided in a bond purchase agreement hereinafter defined and described.

The 2011 Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the Indenture used in connection with the issuance of the 2011 Bonds and approved by the Executive Director or Assistant Executive Director of the Authority. The execution of the 2011 Bonds with the manual or facsimile signature of the Governor of the Commonwealth of Pennsylvania, the President or any Vice President and the Treasurer 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 2011 Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the 2011 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 thereof.

3. The proceeds from the sale of the 2011 Bonds shall be loaned to the CTC pursuant to the terms of a Loan Agreement among the Authority, the CTC and the five Participating School Districts (herein referred to as the "Loan Agreement"), and shall be applied by the CTC for and toward the costs of the Refunding Project including: (a) the current refunding of the Prior Bonds, and (b) the payment of the costs and expenses of issuing and insuring the 2011 Bonds.

4. The President, any Vice President, Executive Director or the Assistant Executive Director is hereby authorized on behalf of the Authority to enter into an acceptable purchase proposal with an underwriter or underwriters ("the Underwriters") selected upon invitation to bid or private negotiation as requested by the CTC in consultation with the financial advisor to the CTC, for the purchase of any series of the 2011 Bonds issued hereunder (the "Bond Purchase Agreement"), 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 2011 Bonds of any series authorized hereunder and the financing of the Refunding Project: the Indenture, the Loan Agreement, and any other documents required in connection with the issuance of the 2011 Bonds; any remarketing agreement, auction agent agreement and/or indexing agent agreement if any of the 2011 Bonds shall bear interest at a variable rate; any escrow or other agreement required in connection with the refunding of the Prior Bonds or any obligations connected with the Refunding Project; and any other document to which the Authority is a party and which is required in connection with the financing of the Refunding Project; 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 or the Executive Director or 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 2011 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 2011 Bonds is hereby authorized.

8. The Underwriters shall be and are hereby authorized to purchase the 2011 Bonds, upon the terms and conditions hereof and contained in the Bond Purchase Agreement. M&T Bank shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the 2011 Bonds. At the request of the CTC, the Office of General Counsel has appointed Eckert Seamans Cherin & Mellott, LLC as 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 2011 Bonds and the implementation of this Resolution.

10. 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 Refunding Project (collectively, the "Bond Documents") requested by the CTC 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.

11. 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 therefore 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.

12. 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, the Loan

Agreement, the Bond Purchase Agreement, the distribution of a preliminary official statement and/or final official statement and the issuance and sale of the 2011 Bonds, all in accordance with this Resolution.

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. Flinn**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of September 22, 2011.

EXHIBIT A

INDIANA COUNTY TECHNOLOGY CENTER

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
2389	Indiana	Financing of: (a) the current refunding of the State Public School Building Authority School Revenue Bonds (Indiana County Technology Center Project), Series of 2004 (the "Prior Bond"), issued in the original aggregate principal amount of \$5,025,000 (of which \$3,855,000 remains outstanding of which \$3,640,000 matures after November 15, 2011); and (b) the payment of the costs and expenses of issuing and insuring the Bonds (defined below) and refunding the Prior Bonds.	\$3,800,000

Maximum Term: 13 years.

Interest Rate: Fixed or Variable at the time of issuance.

Rating/Insurance: Bond Insurance is anticipated.

Bond Counsel: Eckert Seamans Cherin & Mellott, LLC.

Trustee: M&T Bank.

Senior Underwriter: To be selected by invitation to bid or private negotiation on the request of the CTC.

Minority and/or Female Participation in this Financing: Mountaintop Studios, a female-owned business, will be the printer for the Bonds.

Approved by the SPSBA Board at its meeting of September 22, 2011.

7. APPROVAL OF PROJECTS (CONTINUED).

C. Resolution Authorizing the Undertaking of a Project to Finance the Qualified School Construction Bond Program.

Mr. Baccon explained that in January 2010, the Board approved a Resolution authorizing the Authority to participate in a Program to issue Qualified School Construction Bonds.

The Resolution included in today's agenda is to approve the issuance of the fourth tranche of these bonds. As with the first three issues of QSCB bonds, Bond Counsel will include language in the loan agreement that will prohibit the participating school districts from entering into any swap with regard to these bonds.

Citigroup Global Markets and Morgan Stanley & Co. are the Co-Senior Underwriters for this issue. Public Financial Management is the Financial Advisor and Wells Fargo Bank is the Trustee. The Office of General Counsel has appointed Ballard Spahr as the Bond Counsel for this project.

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

Christopher McNichol, Director, Citigroup Global Markets, Charles Peck, Vice President, Morgan Stanley & Co. and Steve Park, Esquire, Ballard Spahr are participating by conference call.

Representative Bear said that the Resolution states that the interest rate is not to exceed 8%. He asked if that was high.

Mr. McNichol explained that as in the first three tranches of the QSCB and QZAB bonds, they have utilized for purposes of a resolution a very high maximum rate which is consistent with the taxable nature of the bonds being issued. That rate does not reflect the federal subsidy that the Authority receives from the federal government. They have no expectation that the rate would be at or near that level. The subsidy is based on the tax credit rate under the Qualified School Construction Bond and Qualified Zone Academy Bond programs. The tax credit rate is reset daily and it is established in conjunction with a maximum maturity which is set monthly. Once the deal is priced, the tax credit rate is set on that day for the life of the loan.

Mr. Peck added that while each transaction is unique from a credit stand point and market conditions at the time of pricing, the prior three transactions have all had net interest costs of less than 1%.

Mr. Craig asked who actually incurs the debt.

Mr. Baccon said that the school districts are responsible for the payment of the debt.

Mr. Craig asked if the borrowers are already obligated to the debt. He asked if a borrower could back out.

Mr. Peck explained that structured in the transaction time line is an escrow closing. This means that all of the school districts' loan agreements have been executed at the escrow closing. School Boards will have passed their Resolutions authorizing the incurrence of the debt up to a maximum amount. All of this is done prior to going into the market. From the Underwriters standpoint they are not going to go to market until they know they are going to have a successful close on the transaction.

Mr. Craig asked how the total amount of issuance is determined.

Mr. McNichol said that the total amount of issuance for these bonds is determined by the sum of the allocations from PDE to the various districts participating in the program. Each district will pass authorizing Resolutions in amounts not to exceed this allocation. The principal amount of the bonds to be issued by the Authority will be equal to the sum of the underlying loans to the various school districts.

Mr. Craig asked what they anticipate to be the actual issuance amount and when they anticipate going into the market.

Mr. McNichol said that the current total is \$229,796,000. Pricing is expected to take place in the second half of October.

Mr. Craig asked if they had a reasonable idea of what the interest rate parameter will be.

Mr. Peck said that they hesitate to make predictions when they are still a month out from pricing. It is fair to say that interest rates are very close to historic lows. They are anticipating a positive reception for this transaction. They have looked at gross interest costs of no greater than 6% and that is before the subsidy. They also believe that is on the conservative side.

Mr. Craig asked when the rating agencies rate this kind of debt, who are they rating, the Authority or the underlying commitments of the various school districts to repay the loan to the Authority.

Mr. Peck said that it is a two pronged approach. The Authority is not rated in any way because the Authority's credit isn't attached in any way. The Commonwealth is rated because this program takes advantage of the State Aid

Intercept provisions under the school code, which allows the Trustee to divert aid to school districts, state revenues, in the event that the districts have failed to set aside money to make the principal or interest payments on the bonds. There are different levels of security under that program. The most basic level applies to all school districts under general obligation school district financings. This is a more enhanced version and is a little tougher from a credit stand point.

Mr. Craig asked if it is anticipated that the Treasurer will enter into new Intercept Agreements.

Mr. Peck said that it was the existing Intercept Agreements.

Mr. Craig asked if current Intercept Agreements would apply to a new bond offering.

Mr. Park said that it would be the existing Intercept Agreements.

Mr. Peck said that the program under which these bonds are being sold receives a programmatic rating associated with the State Aid Intercept, currently it is rated Aa2 by Moodys and AA by Fitch. Both rating agencies look through to the underlying borrowers and their credit quality and they compare that to the Intercept rating. The prior three transactions have all received the Intercept rating of Aa2 and AA and he anticipates the same for this transaction as well.

Mr. Craig asked if the Intercept Agreements are with the school. He thought that the Intercept Agreements are with the Treasurer's Office. He asked if the money goes to the school district and they are signing the Intercept Agreement.

Chairperson Dreher explained that there is a base Intercept Agreement and then there are two school districts that have executed their own Intercept Agreements. This is part of the standard Intercept Agreement.

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

**RESOLUTION OF THE
STATE PUBLIC SCHOOL BUILDING AUTHORITY
AUTHORIZING
A PROJECT TO FINANCE THE
QUALIFIED SCHOOL CONSTRUCTION BOND PROGRAM**

DOCKET NO. 2386

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the “Authority”) has previously determined to undertake a program (the “Program”) consisting of providing financing for capital projects of school districts in Pennsylvania through the issuance, from time to time, by the Authority of its qualified school construction revenue bonds, in one or more series. Under the Program, the Authority expects to receive a direct interest subsidy (the “Direct Subsidy”) with respect to interest on the Bonds (as hereinafter defined) from the United States in accordance with Section 6431 of the Internal Revenue Code of 1986, as amended (the “Code”), and pass through such direct interest subsidy to the school districts in proportion to their participation in the Program.

2. The Authority anticipates that the participating school districts will be the school districts listed in Exhibit B attached hereto and incorporated herein by this reference (each, a “Borrower”).

3. The Authority hereby authorizes the financing of a project (the “Project”) consisting of: (a) the costs of the Program; and (b) the costs and expenses of issuing the Bonds, including without limitation, printing and reproduction costs, fees and expenses of bond counsel, underwriters’ counsel, the underwriters, the financial advisor and Authority’s counsel, the fees and expenses of the Trustee, and administrative costs and expenses of the Authority, all upon submission of the proper documentation thereof; provided, however, that the Executive Director or Assistant Executive Director of the Authority shall have the power to add, delete or substitute for any component of the Project but only to the extent permitted by the State Public School Building Authority Act, as amended, and the Federal income tax laws from time to time in effect.

4. In order to finance the Project, the Authority is hereby authorized to enter into a Trust Indenture (the “Indenture”) with Wells Fargo Bank, National Association (the “Trustee”) and is hereby authorized to issue up to \$190,000,000 in aggregate principal amount of bonds in one or more series (which may be issued on the same or different dates) to be designated “State Public School Building Authority Federally Taxable Revenue Bonds, Series C of 2011 (Qualified School Construction Bonds - Direct Subsidy)” with an appropriate series designation (the “Bonds”). The Bonds shall have a term not to exceed 20 years and shall bear interest at a fixed rate not to exceed 8.00% per annum, 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 and further provided in the bond purchase contract hereinafter defined and

described. The Authority hereby designates the Bonds as “Qualified School Construction Bonds” under Section 54F of the Code.

5. The Bonds shall be limited obligations of the Authority, payable only from payments made by each Borrower pursuant to its Loan Agreement (each, a “Loan Agreement” and together, the “Loan Agreements”) with the Authority. The Bonds shall not be in any way a debt or liability of the Commonwealth of Pennsylvania or of any political subdivision thereof, and shall not create or constitute any indebtedness, liability or obligation of the Commonwealth of Pennsylvania, any political subdivision thereof, other than the Borrowers, legal, moral or otherwise, nor shall the Bonds be payable out of any funds, revenues or properties of the Authority other than those pledged therefor. The Bonds shall be issued in such denominations and form and with 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 or 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 and the Treasurer 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 thereof.

6. The proceeds from the sale of the Bonds shall be loaned to each Borrower (each, a “Loan”) in the amount previously allocated to such Borrower by the Pennsylvania Department of Education (the “PDE”) pursuant to the terms of its Loan Agreement and shall be applied by such Borrower towards the costs of capital projects previously approved by the PDE. The obligation of each Borrower to repay its Loan will be evidenced by a general obligation note of the Borrower (the “Note”) issued pursuant to a resolution of the Borrower and purchased by the Authority pursuant to a Note Purchase Agreement (each, a “Note Purchase Agreement” and together, the “Note Purchase Agreements”) between the Borrower and the Authority.

7. The President, any Vice President, the Executive Director or the Assistant Executive Director is hereby authorized on behalf of the Authority to negotiate with the underwriters, hereinafter appointed, for an acceptable proposal, for the purchase of any series of the Bonds issued hereunder, to enter into one or more bond purchase agreements (collectively, 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.

8. The Authority does hereby authorize and/or ratify, as applicable, 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: the Indenture, the Loan Agreements (and the assignments thereof); the Note Purchase Agreements (and the Confirmations related thereto); the Bond Purchase Agreement; any required secondary market disclosure agreements; any escrow agreement relating to the escrow of closing documents with the Borrowers pending the issuance of the Bonds; and any other document to which the Authority is a party and which is required or useful in connection with the financing of the Project, 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.

9. The President, the Vice President or the Executive Director or 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. No covenant, obligation or agreement herein contained or contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any member, officer, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer executing the Bonds, the Indenture, the Loan Agreements, the Note Purchase Agreements, the Bond Purchase Agreement, or other documents authorized by this Resolution shall be liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

10. 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 the form 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.

11. The underwriters or purchasers of the Bonds shall be appointed 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 or purchaser so appointed and approved shall be authorized to act as the underwriter or purchaser of the Bonds. Ballard Spahr LLP has been appointed as Bond Counsel by the Office of General Counsel. The Executive Director or Assistant Executive Director of the Authority is hereby authorized to approve additional professionals for the Bonds, if necessary.

12. The appropriate officers of the Authority are hereby authorized to assign the Direct Subsidy to the Trustee for application to payment of interest on the Bonds, and to the extent not required for the payment of such interest, for distribution to the Borrowers in proportion to their participation in the Program.

13. 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 and the Program.

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 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 Agreements, the Note Purchase Agreements and the Bond Purchase 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 this Resolution.

16. 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. Pike-Nase**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of September 22, 2011.

EXHIBIT A

QUALIFIED SCHOOL CONSTRUCTION BONDS

<u>Docket No.</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
2386	(a) the costs of the Authority's Qualified School Construction Bond Program; and (b) the costs and expenses of issuing the Bonds.	\$190,000,000

Term: Up to 20 years.

Rate: Fixed Rate not to exceed 8.00%.

Rating/Insurance: The Bonds are expected to be rated by Moody's and by Fitch. No bond insurance or other credit enhancement will be obtained for the Bonds.

Underwriters: Citigroup Global Markets Inc., Morgan Stanley & Co. Incorporated, Boenning & Scattergood, Inc., Janney Montgomery Scott and RBC Capital Markets Corporation have been selected to be the underwriters for the Bonds. Additional underwriters of the Bonds shall be appointed by the Executive Director or Assistant Executive Director of the Authority.

Bond Counsel: Ballard Spahr LLP.

Financial Advisor: Public Financial Management, Inc.

Trustee: Wells Fargo Bank, National Association.

Minority and/or Female Participation in this Financing: McElwee & Quinn, LLC, a female-owned business, will be the printer for the Bonds.

Approved by the SPSBA Board at its meeting of September 22, 2011.

EXHIBIT B

<u>School Districts</u>	<u>Par Amount</u>
Allentown City School District	\$891,000
Conrad Weiser Area School District	\$4,357,000
Donegal School District	\$5,950,000
Downingtown Area School District	\$11,766,000
Erie School District	\$13,407,000
Great Valley School District	\$389,000
Harmony School District	\$6,000,000
Lancaster School District	\$34,789,000
New Castle Area School District	\$17,380,000
Radnor Township School District	\$3,565,000
Sharon City School District	\$4,463,000
South Fayette Township School District	\$8,857,000
Southeast Delco School District	\$5,900,000
Stroudsburg Area School District	\$25,665,000
Upper Darby School District	\$376,000
Washington School District	\$1,488,000
William Penn School District	\$685,000
Williamsport Area School District	\$35,719,000
Wyoming Valley West School District	\$3,789,000

7. APPROVAL OF PROJECTS (CONTINUED).

D. Resolution Authorizing the Undertaking of a Project to Finance the Qualified Zone Academy Bond Program.

Mr. Baccon explained that in January 2010, the Board also approved a Resolution authorizing the Authority to participate in a Program to issue Qualified Zone Academy Bonds. The Resolution included in today's agenda is to approve the Authority's third issuance of Qualified Zone Academy Bonds.

Bond Counsel will include language in the loan agreement that will prohibit the participating school districts from entering into any swap with regard to these bonds.

Citigroup Global Markets and Morgan Stanley & Co are also the Co-Senior Underwriters for this issue. Public Financial Management is the Financial Advisor and Wells Fargo Bank is the Trustee. The Office of General Counsel has appointed Ballard Spahr as the Bond Counsel for this project.

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

Steve Park, Christopher McNichol and Charles Peck, are available 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
STATE PUBLIC SCHOOL BUILDING AUTHORITY
AUTHORIZING
A PROJECT TO FINANCE THE
QUALIFIED ZONE ACADEMY BOND PROGRAM**

DOCKET NO. 2387

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the “Authority”) has determined to undertake a program (the “Program”) consisting of providing financing for capital projects of school districts in Pennsylvania through the issuance, from time to time, by the Authority of its qualified zone academy revenue bonds, in one or more series. Under the Program, the Authority expects to receive a direct interest subsidy (the “Direct Subsidy”) with respect to interest on the Bonds (as hereinafter defined) from the United States in accordance with Section 6431 of the Internal Revenue Code of 1986, as amended (the “Code”), and pass through such direct interest subsidy to the school districts in proportion to their participation in the Program.

2. The Authority anticipates that the participating school districts will be the school districts listed in Exhibit B attached hereto and incorporated herein by this reference (each, a “Borrower”).

3. The Authority hereby authorizes the financing of a project (the “Project”) consisting of: (a) the costs of the Program; and (b) the costs and expenses of issuing the Bonds, including without limitation, printing and reproduction costs, fees and expenses of bond counsel, underwriters’ counsel, the underwriters, the financial advisor and Authority’s counsel, the fees and expenses of the Trustee, and administrative costs and expenses of the Authority, all upon submission of the proper documentation thereof; provided, however, that the Executive Director or Assistant Executive Director of the Authority shall have the power to add, delete or substitute for any component of the Project but only to the extent permitted by the State Public School Building Authority Act, as amended, and the Federal income tax laws from time to time in effect.

4. In order to finance the Project, the Authority is hereby authorized to enter into a Trust Indenture (the “Indenture”) with Wells Fargo Bank, National Association (the “Trustee”) and is hereby authorized to issue up to \$50,000,000 in aggregate principal amount of bonds in one or more series (which may be issued on the same or different dates) to be designated “State Public School Building Authority Federally Taxable Revenue Bonds, Series D of 2011 (Qualified Zone Academy Bonds - Direct Subsidy)” with an appropriate series designation (the “Bonds”). The Bonds shall have a term not to exceed 20 years and shall bear interest at a fixed rate not to exceed 8.00% per annum, 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 and further provided in the bond purchase contract hereinafter defined and

described. The Authority hereby designates the Bonds as “Qualified Zone Academy Bonds” under Section 54E of the Code.

5. The Bonds shall be limited obligations of the Authority, payable only from payments made by each Borrower pursuant to its Loan Agreement (each, a “Loan Agreement” and together, the “Loan Agreements”) with the Authority. The Bonds shall not be in any way a debt or liability of the Commonwealth of Pennsylvania or of any political subdivision thereof, and shall not create or constitute any indebtedness, liability or obligation of the Commonwealth of Pennsylvania, any political subdivision thereof, other than the Borrowers, legal, moral or otherwise, nor shall the Bonds be payable out of any funds, revenues or properties of the Authority other than those pledged therefor. The Bonds shall be issued in such denominations and form and with 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 or 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 and the Treasurer 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 thereof.

6. The proceeds from the sale of the Bonds shall be loaned to each Borrower (each, a “Loan”) in the amount previously allocated to such Borrower by the Pennsylvania Department of Education (the “PDE”) pursuant to the terms of its Loan Agreement and shall be applied by such Borrower towards the costs of capital projects previously approved by the PDE. The obligation of each Borrower to repay its Loan will be evidenced by a general obligation note of the Borrower (the “Note”) issued pursuant to a resolution of the Borrower and purchased by the Authority pursuant to a Note Purchase Agreement (each, a “Note Purchase Agreement” and together, the “Note Purchase Agreements”) between the Borrower and the Authority.

7. The President, any Vice President, the Executive Director or the Assistant Executive Director is hereby authorized on behalf of the Authority to negotiate with the underwriters, hereinafter appointed, for an acceptable proposal, for the purchase of any series of the Bonds issued hereunder, to enter into one or more bond purchase agreements (collectively, 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.

8. The Authority does hereby authorize and/or ratify, as applicable, 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: the Indenture, the Loan Agreements (and the assignments thereof); the Note Purchase Agreements (and the Confirmations related thereto); the Bond Purchase Agreement; any required secondary market disclosure agreements; any escrow agreement relating to the escrow of closing documents with the Borrowers pending the issuance of the Bonds; and any other document to which the Authority is a party and which is required or useful in connection with the financing of the Project, 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.

9. The President, the Vice President or the Executive Director or 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. No covenant, obligation or agreement herein contained or contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any member, officer, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer executing the Bonds, the Indenture, the Loan Agreements, the Note Purchase Agreements, the Bond Purchase Agreement, or other documents authorized by this Resolution shall be liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

10. 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 the form 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.

11. The underwriters or purchasers of the Bonds shall be appointed 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 or purchaser so appointed and approved shall be authorized to act as the underwriter or purchaser of the Bonds. Ballard Spahr LLP has been appointed as Bond Counsel by the Office of General Counsel. The Executive Director or Assistant Executive Director of the Authority is hereby authorized to approve additional professionals for the Bonds, if necessary.

12. The appropriate officers of the Authority are hereby authorized to assign the Direct Subsidy to the Trustee for application to payment of interest on the Bonds, and to the extent not required for the payment of such interest, for distribution to the Borrowers in proportion to their participation in the Program.

13. 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 and the Program.

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 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 Agreements, the Note Purchase Agreements and the Bond Purchase 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 this Resolution.

16. 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 **Representative Bear**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of September 22, 2011.

EXHIBIT A

QUALIFIED ZONE ACADEMY BONDS

<u>Docket No.</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
2387	(a) the costs of the Authority's Qualified Zone Academy Bond Program; and (b) the costs and expenses of issuing the Bonds.	\$50,000,000

Term: Up to 20 years.

Rate: Fixed Rate not to exceed 8.00%.

Rating/Insurance: The Bonds are expected to be rated by Moody's and by Fitch. No bond insurance or other credit enhancement will be obtained for the Bonds.

Underwriters: Citigroup Global Markets Inc., Morgan Stanley & Co. Incorporated, Boenning & Scattergood, Inc., Janney Montgomery Scott and RBC Capital Markets Corporation have been selected to be the underwriters for the Bonds. Additional underwriters of the Bonds shall be appointed by the Executive Director or Assistant Executive Director of the Authority.

Bond Counsel: Ballard Spahr LLP.

Financial Advisor: Public Financial Management, Inc.

Trustee: Wells Fargo Bank, National Association.

Minority and/or Female Participation in this Financing: McElwee & Quinn, LLC, a female-owned business, will be the printer for the Bonds.

Approved by the SPSBA Board at its meeting of September 22, 2011.

EXHIBIT B

<u>School Districts</u>	<u>Par Amount</u>
Allentown City School District	\$593,000
East Stroudsburg School District	\$525,000
Midd-West School District	\$1,623,000
Shamokin School District	\$4,068,000
Southeast Delco School District	\$2,300,000
Warren County School District	\$35,844,000

8. OLD BUSINESS.

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

9. NEW BUSINESS.

Chairperson Dreher asked if there was any new business before the Board.

Mr. Craig asked if anyone was taking a look at Senate Bill 293. It proposes to impose liability on each of the members of the Board for a vote that may be an attempt to evade some sort of advertising requirement.

Mr. Baccon said that we were not looking at it.

Ms. Flinn said that the legislation came out of the committee for which she and Ms. Seivard are involved. The legislation is providing an adjustment to the bidding thresholds that haven't been updated in years. It includes an automatic annual adjustment factor. Ms. Flinn believes that the Senate Appropriations Committee amended that bill Tuesday. It was never intended to change any liability. It was simply a matter of increasing the thresholds for when advertising occurred and providing annual adjustment factor.

Mr. Craig asked if the provision in Section 10.1 was removed.

Ms. Flinn would have to go back and look at what the Committee did on Tuesday.

Mr. Craig said that the Bill says that all members of the Authority who so vote in violation of this provision, and who know that the transaction upon which they so vote is or ought to be a part of a larger transaction shall be jointly and severally subject to surcharge for ten per centum of the full amount of the contract or purchase.

Ms. Flinn believes that that provision was added in, so she would not be familiar with that. When it passed her committee that wasn't part of the original intent.

Chairperson Dreher asked if it dealt solely with these Authorities.

Mr. Craig said that is was just the State Public School Building Authority.

Ms. Flinn suggested that Mr. Craig inquire with the offices of Senator Corman and Senator Hughes.

Mr. Craig wanted to bring it to the Board's attention since it has an impact on the voting and the liability of everyone. He asked if the Authority has Directors and Officers Insurance.

Mr. Baccon explained that we do not. We rely upon the insurances through the Commonwealth.

Mr. Baccon mentioned that we had a briefing this morning for the two new proxies and the question of Directors and Officers Insurance came up. Alan Cohn and Nichole Duffy were kind enough to come early and we brought them up to speed through a new member session.

Chairperson Dreher asked if the underlying intent of the bill pertained to bidding.

Ms. Flinn said the advertising thresholds for construction work. The amounts haven't been adjusted in some time.

Mr. Craig said that it seems to raise the base amount to \$18,500.

Mr. Flinn said in committee when it was introduced it was \$25,000. She said that this happened Tuesday in an off the floor meeting and she wasn't provided with any amendments prior to and she doesn't think Senator Piccola's office was.

Chairperson Dreher appreciated that Mr. Craig brought this to the Board's attention.

Ms. Pike-Nase suggested that we make sure that the Office of General Counsel is aware of this.

Mr. Craig said that he believes that everyone here tries to do their best job possible and vote according to their conscience and merits. The possibility, however remote, with personal liability is huge.

Chairperson Dreher said that he would explore it with the administration and if others could do the same with their offices.

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

10. ADJOURNMENT.

There being no further business to come before the Board at this time, upon **MOTION** by **Representative Bear**, and **SECONDED** by **Ms. Pike-Nase**, the SPSBA Board Meeting was adjourned at 11:00 a.m.

SUNSHINE ACT MEETING NOTICE

Saturday, September 17, 2011

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

State Board of Nursing Meeting - September 19, 2011 - 9:00 A.M. - 2601 N. Third St., HBG

Contact Name - Brandi Barrick - 783-7192

CANCELLED: State Board of Psychology Meeting - September 19, 2011 - 9:00 A.M. -2601 N. Third St., HBG

Contact Name - Brandi Barrick - 783-7192

RESCHEDULED: Industrial Board Meeting - September 20, 2011 - 9:30 A.M. - L&I Bldg., Rm. 1626, HBG

Contact Name - Donna Suskie - 787-6115

PA DOA, Bureau of Food Dist., Emergency Food Assistance Advisory Committee Meeting - September 21, 2011 - 10:00 A.M. - PA DOA, Rm. 202, 2301 N. Cameron St., HBG

Contact Name - Melissa Seiple - 772-2695

* Time: 10 - 4 P.M.

RESCHEDULED: PA DOA, PA State Horse Racing Committee Meeting - September 21, 2011 - 11:30 A.M. - New Bolton Ctr., Alumni Hall, 382 W. Street Road, Kennett Sq., PA

Contact Name - Dawn Patrick - 787-1942

SPECIAL: State Public School Building Authority Meeting - September 22, 2011 - 10:30 A.M. - 2nd Fl., 1035 Mumma Rd., Wormleysburg

Contact Name - Bev Nawa - 975-2204

SPECIAL: PA Higher Educational Facilities Authority Meeting - September 22, 2011 - 10:30 A.M. - 2nd Fl., 1035 Mumma Rd., Wormleysburg

Contact Name - Bev Nawa - 975-2204

CANCELLED: State Board of Physical Therapy Meeting - September 22, 2011 - 10:00 A.M. - 2601 N. Third St., HBG

Contact Name - Brandi Barrick - 783-7192

Stimulus Oversight Commission Meeting - September 22, 2011- 11:00 A.M. - Forum Pl., 7th Fl., Conf. Rm. 1, HBG

Contact Name - Eileen McNulty - 346-3266

RESCHEDULED: Department of Educational Teacher Tenure Appeal - September 22, 2011 - 2:00 P.M. - Office of Chief Counsel, 9th Fl., 333 Market St., HBG

Contact Name - Eunicejean Patrice - 787-5500

* Appeal No. 03-11, Appeal of Richard W. Magliore, J.D. v. Philadelphia City School District and the School Reform Commission of Philadelphia. For special accommodations contact Eunicejean Patrice at 717-787-5500 Ext. 36945 for Assistive devices, Interpreter services, Braille Reading Machine, Enlarged Documents or a fully accessible bldg. will be provided upon request.

PA Energy Development Authority Board Meeting - September 23, 2011 - 10:00 A.M. - RCSOB, Rm. 105, HBG

Contact Name - Geri Krouse - 783-0540

State Board of Examiners in Speech-Language and Hearing Meeting - September 23, 2011 - 9:30 A.M. - Harrisburg-Hershey Holiday Inn, 604 Station Rd., Grantville

Contact Name - Brandi Barrick - 783-7192

CANCELLED: Industrial Board Meetings - September 27, 2011 - 9:30 A.M. - L&I Bldg., Rm. 1626, HBG

Contact Name - Donna Suskle - 787-6115

* The 9-28-11 Industrial Bd. Meeting at 9:30 A.M. is also cancelled.

RESCHEDULED: PA DOA, PA State Harness Racing Committee Meeting - September 29, 2011 - 11:00 A.M. - PA Farm Show Complex & Expo Ctr., Keystone Conf. Ctr., Susquehanna Rm., (Rm. B), 2300 N. Cameron St., HBG

Contact Name - Dawn Patrick - 787-1942

PA Game Commission Meetings - October 03, 2011 - 8:30 A.M. - PA Game Commission Bldg., 2001 Elmerton Ave., HBG

Contact Name - Joan French - 787-7836

* Meeting Purpose: To discuss Commission Business. Add'l. Mtg.: 10/4/11 same above time/location.

RESCHEDULED: Citizen's Advisory Council to DEP Meeting - October 03, 2011 - 6:00 P.M. - Ramada Inn Washington, Washington, Pa

Contact Name - Marsha Lohr - 783-2300

* This set of meetings will run from 10/3/11 through 10/5/11. The 10/3/11 meeting will start at 6 P.M. and the 10/5/11 meeting will start at 1 P.M. all at the same above location.

DEP - Low-Level Waste Advisory Committee Meeting - October 06, 2011 - 10:00 A.M. - RCSOB, 1st Fl., Rm. 105, HBG

Contact Name - Cheryl Laatsch - 787-2163

Appendix A

* Time: 10 - 12:30 P.M. If you require an auxiliary aid, service or accommodations to participate in the proceedings, contact Cheryl Miller Laatsch at (717) 787-2163 or through the PA AT&T Relay Service at 1-800-654-5984 (TDD) to discuss how the Dept. may accommodate your needs.

CANCELLED: Citizen's Advisory Council to DEP Meeting - October 18, 2011 - 11:00 A.M. - RCSOB, Rm. 105, HBG

Contact Name - Marsha Lohr - 783-2300

* TIME: 11-3 P.M.]]>

Appeared in: **Patriot-News** on Saturday, 09/17/2011

Source: myPublicNotices.com

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
September 22, 2011

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, September 22, 2011**, at **10:30 a.m.**, at the **Authority Office, 1035 Mumma Road, Wormleysburg**, 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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Harrisburg, PA

I CERTIFY that the notice on the previous page for the September 22, 2011, meetings was dispatched to the following on September 6, 2011, 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
7th 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 6th day of September 2011.

/s/ Robert Baccon

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