

Meeting of the Board
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
November 13, 2014
Room 515 North Office Building
Harrisburg, Pennsylvania
10:41 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 July 17, 2014.
3. Audit Committee Report.
4. Old Business.
 - A. Financing Policy for College or University-Related Organizations.
5. Approval of Projects.
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of Thomas Jefferson University.
 - B. Resolution Authorizing the Undertaking of a Project on Behalf of Slippery Rock University Foundation, Inc.
6. New Business.
7. Adjournment.

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

With a quorum of the Board being present, the meeting of the Board of Pennsylvania Higher Educational Facilities Authority was called to order on Thursday, November 13, 2014 at 10:41 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

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

Board Members Absent

Senator Michael J. Folmer

Authority Personnel Present

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

Also Present

William McCarty, Esquire, Hartman Underhill & Brubaker LLC
Jay Bellwoar, Managing Director, Merrill Lynch, Pierce, Fenner & Smith
Danielle Guyer, Director of Budgetary Affairs for the Speaker of the House of Representatives

Participated Via Conference Call

Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC
Al Salvato, Senior Vice President Finance & Chief Information Officer, Thomas Jefferson University
Adam Gentzel, Vice President, Merrill Lynch, Pierce, Fenner & Smith
Valarie Allen, Esquire, Ballard Spahr LLP
Edward Bucha, Executive Director, Slippery Rock University Foundation
Chad Myers, Senior Vice President, Raymond James & Associates
Chuck Brodbeck, Esquire, Cohen & Grigsby, P.C.

2. APPROVAL OF THE MINUTES OF THE MEETING OF JULY 17, 2014.

A copy of the minutes of the meeting of July 17, 2014, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the PHEFA meeting of July 17, 2014, be and hereby are approved as presented.

Upon **MOTION** by **Mr. Helling**, and **SECONDED** by **Secretary Phillips**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of November 13, 2014.

3. AUDIT COMMITTEE REPORT.

Ms. Pike-Nase explained that the audit exit conference was held on October 17, 2014 and there were five committee members present, one via conference call. Dave Player and Bob Baccon were also in attendance. KPMG said that the audited financials were very good. The investment returns were good also. KPMG gave the Authority a clean opinion.

The committee would like to present the audited financial statements to the board for approval. Ms. Pike-Nase asked for a motion to accept the audited financial statements for the fiscal year ended June 30, 2014.

Upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Secretary Phillips**, and after full discussion, the PHEFA Board unanimously accepted the audited financial statements for the fiscal year ended June 30, 2014 at the PHEFA Board Meeting of November 13, 2014.

Ms. Pike-Nase explained that the committee also discussed the RFP. It has been about five years since the Authority entered into a contract with KPMG. The Auditor General had requested that we do a very broad search of qualified firms in the central Pennsylvania region. Dave Player has reached out to 15 firms. The committee agreed that the RFP should be on the Authority's website and the DGS website. Ms. Pike-Nase understands that there has been a great deal of interest.

Mr. Player indicated that six firms have expressed an interest.

4. OLD BUSINESS.

A. Financing Policy for College or University-Related Organizations.

Chairman Heuer explained that a committee meeting was held on July 24th regarding the financing of college or university related organizations. The committee decided not to recommend that the board adopt a policy regarding these financings, but in the future, staff will

provide additional information to the board regarding these organizations. Chairman Heuer asked if board members had any questions or comments.

Chairman Heuer asked if there was any other old business to come before the Board, and hearing none, he moved to approval of projects.

5. APPROVAL OF PROJECTS.

A. Resolution Authorizing the Undertaking of a Project on Behalf of Thomas Jefferson University.

Mr. Baccon explained that Thomas Jefferson University has requested that we issue a maximum of \$790,000,000 in revenue bonds, notes or other obligations to finance the current refunding of our Series 2008A & B revenue bonds and our 2014A & B revenue notes. Proceeds will also be used to pay for the costs of the acquisition, construction and development of various capital assets and the making of other capital improvements in various academic health care, research, education and clinical care programs and related missions of the university and affiliates. A portion of the bond proceeds will be used for the payment of the termination costs of certain interest rate hedging agreements.

Merrill Lynch, Pierce, Fenner & Smith will serve as the Underwriter for the Bonds. At the request of the University, 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.

Jay Bellwoar, Managing Director, Merrill Lynch is in attendance to answer questions and Al Salvato, Senior Vice President of Finance for the University, Valarie Allen, Esquire, Ballard Spahr and Adam Gentzel, Vice President, Merrill Lynch are participating by conference call.

Chairman Heuer asked if there were any questions or comments.

Ms. Pike-Nase asked if more information about the capital improvements could be provided to the board.

Mr. Salvato explained that there is a series of older buildings on the campus that could be repurposed for both academic and office space. A significant portion is targeted to those projects. There is also some ambulatory needs to expand clinical services on the campus and additional space is required.

Ms. Langan noted that the interest rate is not to exceed 8%. She asked what it is expected to be.

Mr. Bellwoar said that they expect the long term fixed rate to be about 4.5%.

Chairman Heuer asked if there were additional questions or comments, and hearing none, asked for a motion to approve the resolution.

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
THOMAS JEFFERSON UNIVERSITY**

DOCKET NO. 652

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Pennsylvania Higher Educational Facilities Authority (the “Authority”) shall undertake a project on behalf of Thomas Jefferson University (the “University”), a nonprofit corporation that owns and operates educational facilities, consisting generally of issuing up to \$790,000,000 (exclusive of any original issue discount or premium) in aggregate principal amount of revenue bonds, notes and/or other obligations in one or more series (collectively, the “Bonds”). The proceeds of the Bonds will be loaned to the University to pay certain costs of a project (the “Project”) that consists generally of: (a) the current refunding of the (i) Pennsylvania Higher Educational Facilities Authority Revenue Bonds (Thomas Jefferson University) Series 2008A, outstanding in the principal amount of \$25,000,000; (ii) Pennsylvania Higher Educational Facilities Authority Revenue Bonds (Thomas Jefferson University) Series 2008B, outstanding in the principal amount of \$42,260,000; (iii) Pennsylvania Higher Educational Facilities Authority Revenue Notes (Thomas Jefferson University/TJUH System) Series 2014A, outstanding in the principal amount of \$328,395,000; and (iv) Pennsylvania Higher Educational Facilities Authority Taxable Revenue Notes (Thomas Jefferson University/TJUH System) Series 2014B, outstanding in the principal amount of \$3,915,000 (collectively, the “Prior Bonds”); (b) the payment of (or the reimbursement to the University, TJUH System (the “System”), Thomas Jefferson University Hospitals, Inc. (the “Hospital”), Jefferson University Physicians and the University’s other affiliates (collectively, the “University Affiliates”) for) the costs of the acquisition, construction and development of various capital assets and the making of other capital improvements in various academic health care, research, education and clinical care programs and related missions of the University and the University Affiliates, all as described in greater detail in Exhibit B to this Resolution; (c) paying all or a portion of the termination costs of certain interest rate hedging agreements previously entered into for the benefit of the University, the System and the Hospital, and the entry by the University into certain other interest rate hedging arrangements and/or the amendment of existing interest rate hedging arrangements, if deemed necessary, (d) funding any necessary reserves and of the payment of interest on all or a portion of the Bonds; and (e) paying certain costs and expenses incident to the issuance of the Bonds.

2. In order to finance the Project and authorize and secure the issuance of the Bonds, the Authority shall enter into one or more trust indentures or supplements thereto (collectively, the “Indenture”) and issue up to \$790,000,000 (exclusive of any original issue discount or premium) in aggregate principal amount of the Bonds, which may be tax-exempt or taxable and which may be issued on the same or different dates, with an appropriate project and/or series designation. The final maturity of the Bonds will occur not later than September 1, 2054, shall bear interest at a fixed rate (not to exceed 8.0% per annum with respect to any tax-exempt bonds and not to exceed 8.0% per annum with respect to any taxable bonds) and/or at variable rates, shall mature in such principal amounts and at such times, and

shall be subject to redemption and contain such other features all as approved by the Executive Director in consultation with the University and further provided in the Bond Purchase Agreement hereinafter described.

If deemed advantageous 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 (as defined in paragraph 9) is hereby authorized to accept, a municipal bond insurance policy purchased by the University, letter of credit or a similar instrument insuring 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.

The Executive Director of the Authority is hereby authorized to approve the initial interest rate to be borne by any Bonds bearing interest at variable rates and the variable interest rate formulae to be used in determining interest due on such Bonds thereafter, and to appoint an indexing agent, market agent, calculation agent and/or remarketing agent, if required, and to take such other action as may be necessary in connection with Bonds bearing interest at a variable interest rate or in connection with Bonds bearing interest at fixed interest rates, including the authorization of any swap agreement or similar agreement.

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. The execution of the Bonds with the manual or facsimile signature of the President or the Executive Director of the Authority together with an original or facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority is hereby authorized. The Executive Director of the Authority is hereby authorized and directed to deliver the Bonds on behalf of the Authority, to or upon the order of the purchaser 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 University pursuant to the terms of one or more loan agreements or supplements thereto between the Authority and the University (collectively, the "Loan Agreement"), and shall be applied by the University for and toward the costs of the Project.

4. The President, any Vice President or the Executive Director of the Authority is hereby authorized to negotiate with the underwriter hereinafter appointed for the purchase of any series of the Bonds pursuant to one or more purchase agreements (collectively, the "Bond Purchase Agreement") in accordance with the terms of this Resolution and the President, any Vice President or the Executive Director is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of the Authority and to take such further action as may be required or proper to carry out the obligations of the Authority thereunder.

5. 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, the refunding of the Prior Bonds and the financing of the Project: the Indenture, the Bond Purchase Agreement and the Loan

Agreement required in connection with the issuance of the Bonds; any remarketing agreement and/or indexing agent agreement; any escrow agreements; and any other agreement or document to which the Authority is a party; all in such forms as shall be acceptable to bond counsel and Authority counsel and as shall be approved by the Executive Director of the Authority.

6. The President, the Vice President or the Executive Director of the Authority shall be, and each of them is hereby, authorized and directed to execute, acknowledge and deliver in the name of and on behalf of the Authority, and the Secretary, Assistant Secretary or other authorized officer 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 any 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.

The appropriate officers of the Authority, including the President, the Vice President and the Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to the Trust Indenture, Loan Agreement, Bonds, or any instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the University 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 Pennsylvania Higher Educational Facilities Authority Act of 1967 (Act of December 6, 1967, P.L. 678, as amended (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 series of Bonds for purposes of federal income taxation.

7. Any preliminary official statement and/or final official statement which may be used in connection with the sale and issuance of the Bonds shall be in such form as shall be approved by the Executive Director of the Authority with the advice of bond counsel. The President, the Vice President or the Executive Director shall be and hereby is authorized and directed to execute any such preliminary official statement and/or final official statement and to deem it final on behalf of the Authority pursuant to Rule 15c2-12 of the Securities Exchange Commission (the "Rule"), and the execution by the President, the Vice President or the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval, solely as to distribution, of the form of such documents. The hereinafter appointed underwriter is hereby authorized to circulate and distribute copies of any such documents in connection with the issuance and sale and/or marketing of the Bonds. In connection with the issuance of the Bonds, any authorized officer of the Authority is hereby authorized to execute such agreements and take such other actions as may be necessary or convenient to comply with the Rule.

8. In addition to the Prior Bonds, the University currently has outstanding four series of bonds issued for its benefit by the Authority, including: (i) the Authority's \$25,500,000 original principal amount of Revenue Bonds (Thomas Jefferson University) Series 2006A; (ii) the Authority's \$60,420,000 original principal amount of Revenue Bonds (Thomas Jefferson University) Series 2006B; (iii) the Authority's \$75,000,000 original principal amount of Revenue Bonds (Thomas Jefferson

University) Series 2010 and (iv) the Authority's \$42,195,000 original principal amount of Revenue Bonds (Thomas Jefferson University) Series 2012 (collectively, the "Outstanding TJU Bonds"). The President, the Vice President and the Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (each an "Outstanding TJU Bond Amendment") providing for any amendment or other change to any of the trust indentures, loan agreements, any series of the Outstanding TJU Bonds, or any other instrument or other document executed and delivered with respect to the Outstanding TJU Bonds requested by the University, with the advice of bond counsel and approved by all other necessary parties; provided that (a) the officer executing the Outstanding TJU Bond Amendment shall have determined that an Outstanding TJU Bond Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of such Outstanding TJU Bond Amendment and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Outstanding TJU Bond Amendment is permitted under the Act and the applicable bond documents executed in connection with the applicable series of Outstanding TJU Bonds, and (ii) the Outstanding TJU Bond Amendment will not adversely affect the excludability from gross income of interest on any tax-exempt series of the applicable Outstanding TJU Bonds for purposes of federal income taxation.

9. Merrill Lynch, Pierce, Fenner & Smith Incorporated is hereby appointed as underwriter for the Bonds. The Executive Director of the Authority is hereby authorized to approve upon the recommendation of the University, professionals for the Bonds, including a trustee under the Indenture (the "Trustee") and tender agent or agents, if necessary. Notwithstanding the foregoing appointment of Merrill Lynch, Pierce, Fenner & Smith Incorporated as underwriter and remarketing agent, indexing agent, market agent, and calculation agent, if necessary, for the Bonds, the Executive Director of the Authority, at the request of the University, is authorized to take such steps as may be necessary or convenient to have the Bonds sold through a competitive procedure.

10. The appropriate officers of the Authority are hereby authorized to take such further actions and to execute any and all other documents and certificates, in addition to those specified above, as shall be required or convenient in connection with the issuance of the Bonds, the refunding of the Prior Bonds, and the implementation of this Resolution.

11. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture (and/or any escrow or similar agreement), which by the terms of the 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 (or such escrow or similar agreement).

12. This Resolution shall take effect immediately. All prior resolutions of the Authority, to the extent inconsistent with this Resolution, are hereby repealed.

Upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Secretary Phillips**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of November 13, 2014.

EXHIBIT A

THOMAS JEFFERSON UNIVERSITY

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
652	Philadelphia	(a) the current refunding of the outstanding Prior Bonds; (b) paying of (or reimbursing the University, the System, the Hospital, Jefferson University Physicians and the University's Affiliates for) the costs of the acquisition, construction and development of various capital assets and the making of other capital improvements in various academic health care, research, education and clinical care programs and related missions of the University and the University Affiliates, as further described in <u>Exhibit B</u> ; (c) the payment of all or a portion of the termination costs of certain interest rate hedging agreements previously entered into for the benefit of the University, the System and the Hospital, and the entry by the University into certain other interest rate hedging arrangements and/or the amendment of existing interest rate hedging arrangements, if deemed necessary; (d) funding any necessary reserves and of the payment of interest on all or a portion of the Bonds; and (e) paying certain costs and expenses incident to the issuance of the Bonds.	\$790,000,000 – Exclusive of Original Issue Discount or Premium

Term: The final maturity of the Bonds will occur not later than September 1, 2054.

Rate: The Bonds will bear interest at a fixed rate (not to exceed 8.0% per annum with respect to any tax-exempt bonds and not to exceed 8.0% per annum with respect to any taxable bonds) or at variable rates.

Underwriter: Merrill Lynch, Pierce, Fenner & Smith Incorporated.

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

Trustee: To be selected by the University and approved by the Executive Director of the Authority.

Rating/Insurance/Credit Enhancement: Prior to issuance, a determination will be made whether to obtain bond insurance, a letter of credit or other credit enhancement based on whether doing so is in the better overall financial interest of the University.

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

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

Approved at the PHEFA Board Meeting of November 13, 2014.

EXHIBIT B

The capital improvements/capital assets portion of the Project consists generally of the following:

1. acquisition, construction, renovation, improvement and equipment projects set forth in the capital budget of the University, the System and the Hospital for fiscal years ending June 30, 2015 and June 30, 2016;
2. acquisition, installation and placing into service of a patient records system for the University and the University Affiliates;
3. acquisition, construction, equipment and placing into service of facilities on Walnut Street between 9th and 10th Street for the clinical care, education and research missions of the University and the University Affiliates;
4. acquisition of property and development, construction, renovation and placing into service of facilities to further the clinical care, academic and research missions of the University and the University Affiliates; and
5. payment of any capitalized interest, funding of reserves and/or credit/liquidity support and payment of costs of issuance.

5. APPROVAL OF PROJECTS (CONTINUED).

B. Resolution Authorizing the Undertaking of a Project on Behalf of Slippery Rock University Foundation, Inc.

Mr. Baccon explained that Slippery Rock University Foundation has requested that we issue a maximum of \$70,000,000 in revenue refunding bonds to finance the refunding of our 2005 revenue bonds issued on behalf of the Foundation.

Raymond James & Associates will serve as the managing underwriter. At the request of the Foundation, the Office of General Counsel has appointed Cohen & Grigsby, as the bond counsel for this issue.

The purpose of the Foundation, is to promote education purposes in connection with or at the request of the University.

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

Edward Bucha, Executive Director of the Foundation, Chuck Brodbeck, Esquire, Cohen & Grigsby and Chad Myers, Senior Vice President of Raymond James are on the phone to answer questions.

Chairman Heuer asked if board members have any questions or comments about the project.

Secretary Phillips asked what they expect in savings and what the current interest rate is.

Mr. Myers answered that the current interest rate is 4.2% and that would generate savings of about \$140,000 a year, which comes to just over \$2,000,000 on a present value basis or 3% of the refunded par.

Mr. Dempsey asked what the term of refinancing will be.

Mr. Myers said that the final maturity is 2037 which is the current final maturity of the 2005 issue that is being refunded. They are not extending the final maturity.

Ms. Pike-Nase thanked the staff for providing additional information. She found it very helpful. She was glad to see that all of the assets of the Foundation will vest with the University.

Chairman Heuer asked if there were any other questions or comments, and hearing none, he asked for a motion to approve the project.

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
SLIPPERY ROCK UNIVERSITY FOUNDATION, INC.**

DOCKET NO. 651

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 Slippery Rock University Foundation, Inc. (the "Foundation") consisting of: (i) the refunding of all or a portion of the Pennsylvania Higher Educational Facilities Authority Revenue Bonds, Series 2005A (Slippery Rock University Foundation, Inc. Student Housing Project At Slippery Rock University of Pennsylvania) incurred by the Authority on behalf of the Foundation in June 2005 (the "Prior Bonds") the proceeds of which were used to finance the costs of: (a) acquisition, demolition, construction, equipping and furnishing of a student housing complex on the campus of Slippery Rock University of Pennsylvania (the "University") consisting of approximately 1,400 beds, and construction, furnishing and equipping of related improvements (together, the "Project Facilities"), (b) payment of capitalized interest on the Prior Bonds during and for up to six months following the scheduled completion of all construction, (c) the funding of the Debt Service Reserve Fund (as defined hereinafter) with respect to the Prior Bonds, and (d) the payment of a portion of the costs of issuance of the Prior Bonds; and (ii) costs and expenses incident to the issuance of the Bonds (defined below), including, without limitation, the Authority and trustee fees, legal fees and expenses, fees and expenses of consultants, underwriter's discount and original issue discount; provided, however, that the 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 (the "Act"), and the Federal income tax laws from time to time in effect.

2. In order to finance the Project, the Authority does hereby authorize the issuance of tax-exempt and/or taxable bonds (collectively, the "**Bonds**") in one or more series in an aggregate principal amount not expected to exceed \$70,000,000, which Bonds shall be designated "Pennsylvania Higher Educational Facilities Authority Revenue Refunding Bonds, Series 2014 (Slippery Rock University Foundation, Inc. Student Housing Project At Slippery Rock University of Pennsylvania)" or similar designation, to be issued under one or more trust indentures, supplemental indentures or similar agreements (collectively, the "Indenture") between the Authority and a trustee to be selected by the Authority in consultation with the Foundation (the "Trustee").

The Bonds shall have a term not to exceed 30 years and shall bear interest at a fixed rate and at a tax-exempt or taxable rate of interest acceptable to the Foundation, shall mature in such principal amounts and at such times, and shall be subject to redemption, all as approved by the Executive Director in consultation with the 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 of the Authority. The execution of the Bonds with the manual or facsimile signature of the Executive Director, 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 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 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 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 Bonds will be sold, either directly to a purchaser or pursuant to one or more purchase agreements (collectively, the "Bond Purchase Agreement"), and the President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director of the Authority is hereby authorized on behalf of the Authority to execute and deliver a Bond Purchase Agreement, if applicable, 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, if applicable; 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, but not limited to, the redemption of the Prior Bonds); 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 of the Authority.

6. The President, any Vice President or the 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 of the Authority with the advice of Bond Counsel and Authority Counsel. The 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 of the Authority shall constitute conclusive evidence of the Authority's limited approval of such documents for distribution, as shall be provided therein. The circulation and distribution of copies of any such documents in connection with the offer and sale of the Bonds is hereby authorized.

8. Raymond James & Associates, Inc. is hereby appointed and authorized to act as managing underwriter in connection with the Bonds.

9. The 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 bond counsel for this issue.

10. 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, the redemption of the Prior Bonds and the implementation of this Resolution.

11. The Trustee, by virtue of this Resolution and without further authorization from the Authority, shall be 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 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, the issuance and sale of the Bonds and the redemption of the Prior Bonds, all in accordance with this Resolution.

13. The appropriate officers of the Authority, including the President, Vice President and the Executive Director, are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the 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.

14. 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 **Secretary Phillips**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of November 13, 2014.

EXHIBIT A

SLIPPERY ROCK UNIVERSITY FOUNDATION, INC.,

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
651	Butler	Refunding of all or a portion of the indebtedness issued by the Authority on behalf of the Foundation in June 2005 to finance the costs of acquisition, construction, equipping and furnishing of student housing on the main campus of Slippery Rock University of Pennsylvania and construction, furnishing and equipping of related improvements.	\$70,000,000

Term: Up to 30 years.

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

Rating: The Bonds are expected to be rated by Standard & Poor's and/or Moody's. The rating is expected to be "BBB".

Underwriter: Raymond James & Associates, Inc.

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

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

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

Approved at the PHEFA Board Meeting of November 13, 2014.

6. NEW BUSINESS.

Chairman Heuer mentioned that we may have a board meeting on December 18th.

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

7. ADJOURNMENT.

There being no further business to come before the Board at this time, upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Ms. Pike-Nase**, the PHEFA Board Meeting was adjourned at 10:49 a.m.

SUNSHINE ACT MEETING NOTICES

Thursday, October 30, 2014

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

SPECIAL: Municipal Police Officers' Education and Training Commission,

Training Committee Meeting: October 30, 2014, 11:00 AM. 8002 Bretz Dr., HBG. Contact Name: Amy Sponsler 346-7760

PA Dept. of Health, Health Research Advisory Committee Meeting: November 4,
2014, 10:30 AM. PA Dept. of Health, Health & Welfare Bldg., Rm. 812, 625 Forster
St., HBG. Time: 10:30 AM - NOON

Contact Name: Elisabeth Scheneman 783-2500

SPECIAL: State Public School Building Authority and PA Higher Educational

Facilities Authority Meetings: November 13, 2014, 10:30 AM. Rm.

515, North Office Bldg., HBG.

Contact Name: Bev Nawa 975-2204

SPECIAL: State Board of Private Academic School Meeting: December 05, 2014,

8:30AM. 3rd Fl., Large Conf. Rm., 333 Market St., HBG.

Purpose: To review regulations.

Contact Name: Ann Szwajkowski 787-4431

PA State Board of Private Licensed Schools Meetings: February 12, 2015, 8:30AM.

333 Market St., Heritage Room A/B, HBG. Add'l meetings: 5/14/15, 8/13/15, and

11/19/15, same time and location as above. Contact

Name: Patricia Landis 783-8228]]>

Appeared in: ***Patriot-News*** on Thursday,

10/30/2014

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
November 13, 2014

Notice was in letterform, as follows:

This letter advises that a meeting of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, November 13, 2014**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) approving certain projects for financing; and, (b) consideration of such other matters as may properly come before the Board.

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

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

Sincerely,

/s/ Robert Baccon

Robert Baccon
Executive Director

Enclosures

* * * * *

Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the November 13, 2014, meetings was dispatched to the following on October 22, 2014, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority.

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

GIVEN under my hand and seal this 22nd day of October 2014.

/s/ Robert Baccon

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