NEW ISSUE **RATINGS: See "Ratings" herein.**

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the 2014 Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the 2014 Bonds is not a preference item for purposes of either individual or corporate federal alternative minimum tax; however, interest paid to corporate holders of the 2014 Bonds may be indirectly subject to alternative minimum tax under circumstances described under "TAX MATTERS" herein. Bond counsel is also of the opinion that, under the laws of the Commonwealth of Pennsylvania, interest on the 2014 Bonds is exempt from Pennsylvania personal income tax and corporate net income tax, and the 2014 Bonds are exempt from personal property taxes in Pennsylvania. See "TAX MATTERS" herein.

Widener University

$19,605,000
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
(Commonwealth of Pennsylvania)
Revenue Bonds, Series 2014
(Widener University)

First Interest Payment Date: January 15, 2015

Dated: Date of Delivery **Due:** July 15, as shown on the inside cover

The Pennsylvania Higher Educational Facilities Authority (the "Authority") is issuing its $19,605,000 aggregate principal amount of Revenue Bonds, Series 2014 (Widener University) (the "2014 Bonds") to provide funds, together with other available funds, to refund certain bonds issued on behalf of the University (defined below), and to pay the costs of issuance of the 2014 Bonds. See "PLAN OF FINANCE" herein.

The 2014 Bonds are being issued pursuant to a Trust Indenture dated as of September 1, 2003, as previously supplemented and amended, and as further supplemented by a Fourth Supplemental Trust Indenture dated as of September 1, 2014 (collectively, the "Indenture"), between the Authority and TD Bank, National Association, Cherry Hill, New Jersey, as trustee (the "Trustee"). The principal of and interest on the 2014 Bonds are payable from revenues of the Authority derived pursuant to a Loan Agreement dated as of September 1, 2003, as previously supplemented and amended, and as further supplemented by a Fourth Supplemental Loan Agreement dated as of September 1, 2014 (collectively, the "Loan Agreement"), between the Authority and Widener University, Inc. (the "University").

The 2014 Bonds will be issued only as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and will be available to ultimate purchasers ("Beneficial Owners") under the book-entry system maintained by DTC, only through brokers and dealers who are, or act through, DTC Participants. Purchases of 2014 Bonds by Beneficial Owners will be made in book-entry form in denominations of $5,000 and any integral multiple thereof. Beneficial Owners will not be entitled to receive physical delivery of the 2014 Bonds.

Interest on the 2014 Bonds is payable on each January 15 and July 15 commencing January 15, 2015. Interest on the 2014 Bonds is payable by check mailed, or under certain conditions by wire transfer, to the persons in whose names such 2014 Bonds are registered at the close of business on the regular record date, which is the last day (whether or not a business day) of the calendar month immediately preceding the respective interest payment date. Principal of, and premium, if any, on all 2014 Bonds will be payable at the designated corporate trust office of the Trustee, or at the designated corporate trust office of any successor trustee.

The 2014 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described herein under the caption "THE 2014 BONDS – Redemption".

THE 2014 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE TRUST ESTATE (AS DEFINED IN THE INDENTURE). NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE 2014 BONDS, NOR SHALL THE 2014 BONDS BE OR BE DEEMED GENERAL OBLIGATIONS OF THE AUTHORITY OR OBLIGATIONS OF THE COMMONWEALTH OF PENNSYLVANIA OR OF ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

The 2014 Bonds are offered when, as and if issued by the Authority and received by the Underwriter, subject to the approving legal opinion of Ballard Spahr LLP, Philadelphia, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the University by its counsel, Imperatrice, Amarant & Bell, P.C., Newtown Square, Pennsylvania; for the Authority by its counsel, Hartman Underhill & Brubaker, LLC, Lancaster, Pennsylvania; and for the Underwriter by its counsel, Eckert Seamans Cherin & Mellott, LLC, Philadelphia, Pennsylvania. It is expected that the 2014 Bonds will be available for delivery through the facilities of DTC on or about September 11, 2014.

BofA Merrill Lynch

The date of this Official Statement is August 6, 2014.

$19,605,000
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2014
(WIDENER UNIVERSITY)

MATURITIES DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS

Maturity (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP Number**
2015	$620,000	2.000%	0.310%	101.423	70917SLC5
2016	530,000	3.000	0.770	104.075	70917SLD3
2017	550,000	4.000	1.120	108.039	70917SLE1
2018	565,000	5.000	1.550	112.825	70917SLF8
2019	590,000	2.000	1.990	100.044	70917SLG6
2020	610,000	5.000	2.300	114.683	70917SLH4
2021	635,000	4.000	2.600	108.723	70917SLJ0
2022	660,000	5.000	2.870	114.862	70917SLK7
2023	685,000	4.000	3.100	106.912	70917SLL5
2024	710,000	4.000	3.260	106.185	70917SLM3
2025	655,000	4.000	3.470*	104.384*	70917SLN1
2026	760,000	4.000	3.680*	102.618*	70917SLP6
2027	785,000	4.000	3.860*	101.133*	70917SLQ4
2028	810,000	4.000	3.950*	100.400*	70917SLR2
2029	840,000	4.000	4.030	99.663	70917SLS0
2030	875,000	4.000	4.100	98.838	70917SLT8
2031	900,000	4.000	4.170	97.953	70917SLU5
2032	935,000	5.000	4.090*	107.308*	70917SLV3
2033	980,000	4.125	4.270	98.131	70917SLW1
2034	1,010,000	4.125	4.320	97.414	70917SLX9

$4,900,000 5.000% Term Bonds Due July 15, 2038, Price: 105.236*, Yield: 4.340%*, CUSIP No.**: 70917SLY7

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* Yield/Price to first optional call date of July 15, 2024.

** The CUSIP numbers shown have been assigned to the 2014 Bonds by the CUSIP Service Bureau, an organization not affiliated with the Authority, the Underwriter or the University, and are included solely for the convenience of the holders of the 2014 Bonds. Neither the Authority, the Underwriter nor the University is responsible for the selection of the CUSIP numbers, nor are any representations made as to their correctness on the 2014 Bonds or as indicated herein.

PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
(Commonwealth of Pennsylvania)
1035 Mumma Road
Wormleysburg, PA 17043

BOARD MEMBERS

The Honorable Thomas W. Corbett Governor of the Commonwealth of Pennsylvania	President
The Honorable Michael J. Folmer Designated by the President Pro Tempore of the Senate	Vice President
The Honorable Andrew E. Dinniman Designated by the Minority Leader of the Senate	Vice President
The Honorable Warren E. Kampf Designated by the Speaker of the House of Representatives	Vice President
The Honorable Sherri L. Phillips Secretary of General Services	Secretary
The Honorable Robert M. McCord State Treasurer	Treasurer
The Honorable Anthony M. DeLuca Designated by the Minority Leader of the House of Representatives	Board Member
The Honorable Eugene A. DePasquale Auditor General	Board Member
The Honorable Carolyn C. Dumaresq, Ed.D. Acting Secretary of Education	Board Member

Executive Director
Robert Baccon

Counsel to the Authority
(Appointed by the Office of General Counsel)
Hartman Underhill & Brubaker, LLC
Lancaster, Pennsylvania

Trustee
TD Bank, National Association
Cherry Hill, New Jersey

Bond Counsel
(Appointed by the Office of General Counsel)
Ballard Spahr LLP
Philadelphia, Pennsylvania

Underwriter
Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, New York

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2014 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

No dealer, broker, salesman or other person has been authorized by Pennsylvania Higher Educational Facilities Authority, Widener University, Inc. or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2014 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority (only with respect to the information under the heading "THE AUTHORITY"), the University, and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriter or, as to information from other sources, by the Authority. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

This Official Statement is not to be construed as a contract with the purchasers of the 2014 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. All summaries of statutes and documents are made subject to the provisions of such statutes and documents, respectively, and do not purport to be complete statements of any or all of such provisions.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or be used, as a whole or in part, for any other purpose.

The 2014 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained therein, and have not been registered or qualified under the securities laws of any state.

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OFFICIAL STATEMENT

Relating to

$19,605,000
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
(Commonwealth of Pennsylvania)
Revenue Bonds, Series 2014
(Widener University)

INTRODUCTORY STATEMENT

This Official Statement is provided to furnish certain information with respect to the issuance by the Pennsylvania Higher Educational Facilities Authority (the "Authority") of $19,605,000 aggregate principal amount of Revenue Bonds, Series 2014 (Widener University) (the "2014 Bonds"). The 2014 Bonds will be issued pursuant to a Trust Indenture dated as of September 1, 2003 (the "Original Indenture"), as previously supplemented and amended and as further supplemented by a Fourth Supplemental Trust Indenture dated as of September 1, 2014 (the "Fourth Supplemental Indenture", and collectively with the Original Indenture as previously supplemented and amended, the "Indenture"), between the Authority and TD Bank, National Association, Cherry Hill, New Jersey, as trustee (the "Trustee"). The 2014 Bonds will be special limited obligations of the Authority as described under the caption "SECURITY FOR THE 2014 BONDS." The proceeds of the 2014 Bonds will be loaned by the Authority to Widener University, Inc. (the "University") pursuant to a Loan Agreement dated as of September 1, 2003, as previously supplemented and amended and as further supplemented by a Fourth Supplemental Loan Agreement, dated as of September 1, 2014 (collectively, the "Loan Agreement") and will be used, together with other available funds, to pay the costs of the project described herein (the "2014 Project"). The University's obligations under the Loan Agreement will be secured by a security interest in the University's Gross Revenues (hereinafter defined) created pursuant to the Loan Agreement.

This Introductory Statement is subject in all respects to the more complete information appearing elsewhere in this Official Statement, including the cover page and the appendices. The Introductory Statement is to be read and used only with reference to the entire Official Statement. Any capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in Appendix C hereto.

Information concerning the Authority, the 2014 Project, the 2014 Bonds, the security for the 2014 Bonds and certain other matters are included in this Official Statement. Certain definitions used herein and summaries of certain provisions of the Indenture and the Loan Agreement are included in Appendix C hereto. Information regarding the University is included in Appendix A hereto. Audited financial statements of the University for the year ended June 30, 2013 are included as Appendix B hereto. The summaries of certain provisions of and references to the Indenture and the Loan Agreement are qualified in their entirety by reference to such documents, and the descriptions herein of the 2014 Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the Indenture. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights. Copies of such documents may be obtained from the Trustee at its corporate trust office in Cherry Hill, New Jersey, and from the Underwriter in Philadelphia, Pennsylvania.

The Authority. The Authority is a body corporate and politic constituting a public corporation and a governmental instrumentality of the Commonwealth of Pennsylvania created by the Pennsylvania Higher Educational Facilities Authority Act of 1967 (Act No. 318 of the General Assembly of the Commonwealth of Pennsylvania, approved December 6, 1967), as amended (the "Act").

Widener University. The University is a multi-campus, multi-purpose undergraduate and graduate university located in the Commonwealth of Pennsylvania and the State of Delaware. Founded in Wilmington, Delaware in 1821, the University is composed of eight schools and colleges which offer professional and pre-professional curricula. The University's 2013 fall enrollment (on a full-time equivalent basis) was approximately 3,111 undergraduate students and 2,042 graduate students, including 1,010 law students. The University's schools include: the College of Arts & Sciences, School of Business Administration, School of Engineering, School of Hospitality Management, School of Human Service Professions, School of Law, School of Nursing, and School of Education, Innovation and Continuing Studies. Additional information concerning the University is contained in Appendix A and Appendix B hereto.

The 2014 Project. The 2014 Project will consist of: (i) the advance refunding of the Authority's outstanding Revenue Bonds, Series 2005 (Widener University) originally issued in the aggregate principal amount of $34,000,000 (the "2005 Bonds") of which $20,645,000 remains outstanding; and (ii) the payment of the costs of issuance of the 2014 Bonds.

Security and Sources of Payment for the 2014 Bonds. The 2014 Bonds will be issued under and secured by the Indenture. The Indenture provides, among other things, that the Bonds issued thereunder, including the 2013 Bonds referred to below, the 2014 Bonds and any Additional Bonds which may hereafter be issued, will be secured by the funds and accounts established thereunder (other than the Rebate Fund established to provide necessary funds for compliance with certain of the covenants referred to under "TAX MATTERS" herein) and all moneys and investments held therein, and by an assignment to the Trustee of the Authority's rights (except for certain reserved rights) under the Loan Agreement, and all loan payments and other payments, revenues and receipts receivable by the Authority thereunder. Pursuant to the Loan Agreement, the University will be required to make payments to the Trustee (as the Authority's assignee) in amounts sufficient to pay the principal or redemption price of and interest on the 2014 Bonds, and to observe certain additional covenants contained therein. The Loan Agreement will be a general obligation of the University, secured by a security interest (granted pursuant to the Loan Agreement) in the University's Gross Revenues. A debt service reserve fund was established under the Indenture (the "Debt Service Reserve Fund"). The 2014 Bonds are **not** secured by the Debt Service Reserve Fund, and no funds will be on deposit in the Debt Service Reserve Fund as of the date of issuance of the 2014 Bonds. In connection with the issuance of Additional Bonds, the applicable supplemental indenture executed in connection with the issuance of such Additional Bonds may require the deposit of funds in the Debt Service Reserve Fund to secure such Additional Bonds. See "SECURITY FOR THE 2014 BONDS" herein and Appendix C hereto.

Prior Bonds, Additional Bonds and Other Indebtedness. Pursuant to the Indenture, the Authority has previously issued the 2005 Bonds (to be refunded by the 2014 Bonds) and $11,980,000 aggregate principal amount of its Revenue Bonds, Series 2013 (Widener University) and $52,875,000 aggregate principal amount of its Revenue Bonds, Series 2013A (Widener University) (collectively, the "2013 Bonds") on behalf of the University. The proceeds of the 2005 Bonds and the 2013 Bonds were, and the proceeds of the 2014 Bonds will be, loaned to the University by the Authority pursuant to the Loan Agreement. The 2014 Bonds are being issued as Additional Bonds under the Indenture. Under the terms and conditions set forth in the Indenture and Loan Agreement, the Authority may issue Additional Bonds secured on parity with the 2014 Bonds and the 2013 Bonds; provided, however, that the 2014 Bonds and the 2013 Bonds shall not be secured by the Debt Service Reserve Fund. The Debt Service Reserve Fund may or may not secure any Additional Bonds that are issued under the Indenture as shall be set forth in the supplemental indenture to be executed in connection with the issuance of such Additional Bonds. The 2014 Bonds, the 2013 Bonds and any Additional Bonds issued pursuant to the Indenture are herein referred to collectively as "Bonds." Indebtedness other than Bonds may be incurred by the University under the terms and conditions set forth in the Loan Agreement and may be secured by properties and revenues of the University as provided in the Loan Agreement. The University's obligations with respect to the Bonds are not secured by a mortgage with respect to any part of the University's campus or other real property of the University or a lien or security interest in any personal property of the University other than its Gross Revenues. Except as otherwise provided in the Loan Agreement, no lien may be granted to secure Long Term Indebtedness of the University unless a lien of equal or superior rank and priority is granted in favor of the Trustee for the benefit of the holders of all Bonds issued and Outstanding under the Indenture. See "Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE – THE INDENTURE – Additional Bonds" and "– THE LOAN AGREEMENT – Additional Indebtedness."

Bondholders' Risks. Certain risks associated with ownership of the 2014 Bonds are described herein under the caption "BONDHOLDERS' RISKS".

Forward-Looking Statements. If and when included in this Official Statement, the words "expects", "forecasts", "projects", "intends", "anticipates", "estimates", "assumes", and similar or analogous expressions are intended to identify forward-looking statements. Such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected or expected. Such risks and uncertainties that could affect the amount of revenue collected by the University include, among others, changes in economic conditions and various other events, conditions and circumstances, many of which are beyond the control of the University. Such forward-looking statements speak only as of the date of this Official Statement. The University disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the University's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THE AUTHORITY

The Authority is a body corporate and politic, constituting a public corporation and a governmental instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth"), created by the Act. The Authority's address is 1035 Mumma Road, Wormleysburg, Pennsylvania 17043.

Under the Act, the Authority consists of the Governor of the Commonwealth, the State Treasurer, the Auditor General, the Secretary of Education, the Secretary of the Department of General Services, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives. The President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives may designate a member of their respective legislative bodies to act as a member of the Authority in his or her stead. The members of the Authority serve without compensation, but are entitled to reimbursement for all necessary expenses incurred in connection of with the performance of their duties as members. The powers of the Authority are exercised by a governing body consisting of the members of the Authority acting as a board.

The Authority is authorized under the Act to, among other things, acquire, construct, finance, improve, maintain and operate any educational facility (as defined in the Act), with the rights and powers, inter alia: (1) to finance projects by making loans to colleges (as defined in the Act) which may be evidenced by, and secured as provided in, loan agreements, mortgages, security agreements or other contracts, instruments or agreements; (2) to borrow money for the purpose of paying all or any part of the costs of construction, acquisition, financing, alteration, enlargement, reconstruction and rehabilitation of any educational facility which the Authority is authorized to acquire, construct, finance, improve, install, maintain or operate under the provisions of the Act and to pay the expenses incident to the provision of such loans; and (3) to issue bonds and other obligations for the purpose of paying the cost of any such projects, and to enter into trust indentures providing for the issuance of such obligations and for their payment and security.

None of the revenues of the Authority with respect to its revenue bonds and notes issued for the benefit of other institutions will be pledged as security for any bonds or notes issued for the benefit of the University. Further, no revenue bonds and notes issued for the benefit of other institutions will be payable from or secured by the revenues of the Authority or other moneys securing any bonds or notes issued for the benefit of the University.

The Authority has issued, and may continue to issue, other series of bonds or notes for the purpose of financing other projects, including other educational facilities. Each such series of bonds or notes is or will be secured by instruments separate and apart from the Indenture securing the Bonds.

The Act provides that the Authority is to obtain from the State Public School Building Authority (the "SPSBA"), for a fee, those executive, fiscal and administrative services which are not available from the colleges and universities, as may be required to carry out the functions of the Authority under the Act. Accordingly, the Authority and the SPSBA share an executive, fiscal and administrative staff.

The following are key staff members of the Authority who are involved in the administration of the financing and projects:

Robert Baccon, Executive Director. Mr. Baccon has served as an executive of both the Authority and the SPSBA since 1984. He is a graduate of St. John's University with a bachelor's degree in management, and holds a master's degree in international business from the Columbia University Graduate School of Business. Prior to his present post, Mr. Baccon held financial management positions with multinational U.S. corporations and was Vice President - Finance for a major highway construction contractor.

David Player, Comptroller & Director of Financial Management. Mr. Player serves as the Comptroller & Director of Financial Management of both the Authority and the SPSBA. He has been with both Authorities since 1999. Prior to his present position, he served as Senior Accountant for both Authorities and as an auditor with the Pennsylvania Department of the Auditor General. Mr. Player is a graduate of the Pennsylvania State University and a Certified Public Accountant.

Beverly M. Nawa, Administrative Officer. Mrs. Nawa has served as the Administrative Officer of both the Authority and the SPSBA since 2004. She is a graduate of Alvernia College with a bachelor's degree in business administration. Prior to her present employment, Mrs. Nawa served as an Audit Senior and an Accounting Systems Analyst with the Department of the Auditor General.

THE AUTHORITY HAS NOT PREPARED OR ASSISTED IN THE PREPARATION OF THIS OFFICIAL STATEMENT, EXCEPT THE STATEMENTS UNDER THIS SECTION AND UNDER THE HEADING "ABSENCE OF LITIGATION" BELOW IN RESPECT OF THE AUTHORITY, AND, EXCEPT AS AFORESAID, THE AUTHORITY DISCLAIMS RESPONSIBILITY FOR THE DISCLOSURES SET FORTH HEREIN MADE IN CONNECTION WITH THE OFFER, SALE, AND DISTRIBUTION OF THE 2014 BONDS.

THE 2014 BONDS

General

The 2014 Bonds will initially be dated the date of delivery thereof, will mature on July 15 of the years and in the amounts set forth on the inside cover page hereof, and will be subject to redemption prior to maturity as described below under "Redemption".

Interest on the 2014 Bonds, payable at the rates set forth on the inside cover page hereof from the date of delivery thereof, is payable on January 15 and July 15 of each year, commencing January 15, 2015. Interest on the 2014 Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each 2014 Bond shall bear interest from the most recent interest payment date or from the date of delivery if no interest has been paid.

The 2014 Bonds will be issued as fully registered bonds in denominations of $5,000 and any integral multiples thereof. The principal or redemption price of the 2014 Bonds shall be payable upon surrender thereof at the designated corporate trust office of the Trustee and interest shall be payable by check mailed to the registered owners of the 2014 Bonds as shown on the registration books kept by the Trustee as of the close of business on the applicable record dates described below, except that at the written direction of any registered owner of at least $500,000 in aggregate principal amount of 2014 Bonds, the Trustee shall pay interest to such registered owner by wire transfer to a designated account of such registered owner.

Except in the case of overdue interest, the record date for interest due on the 2014 Bonds shall be the last day (whether or not a business day) of the calendar month immediately preceding each regular interest payment date. Interest which is due and payable on an interest payment date, but cannot be paid on such date from available funds under the Indenture, shall thereupon cease to be payable to the registered owners otherwise entitled thereto as of such date. At such time as sufficient funds are available for the payment of such overdue interest, the Trustee shall establish a special payment date for such interest and a special record date in respect thereof. The Trustee shall mail a notice specifying each date so established to each registered owner of the 2014 Bonds, such notice to be mailed at least 10 days prior to the special record date, but not more than 30 days prior to the special interest payment date.

The Trustee shall keep the registration books for the 2014 Bonds at its designated corporate trust office. Subject to the further conditions contained in the Indenture, the 2014 Bonds may be transferred or exchanged for one or more 2014 Bonds in different authorized denominations upon surrender thereof at the designated corporate trust office of the Trustee by the registered owners or their duly authorized attorneys. Except in the case of any Bond properly surrendered for partial redemption (as described in the Indenture), the Trustee shall not be required to effect any transfer or exchange of any 2014 Bond during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or at any time following the mailing of any such notice, if the 2014 Bond to be transferred or exchanged has been called for such redemption. No charge shall be imposed in connection with any transfer or exchange, except for taxes or governmental charges related thereto. The Authority and the Trustee shall be entitled to treat the registered owners of the 2014 Bonds, as their names appear in the registration books as of the appropriate dates, as the owners of such 2014 Bonds for all purposes under the Indenture. No transfer or exchange made other than as described above and in the Indenture shall be valid or effective for any purposes under the Indenture.

Redemption

<u>Optional Redemption</u>. The 2014 Bonds stated to mature on and after July 15, 2025 are subject to optional redemption by the Authority, at the direction of the University, in whole or in part at any time, from the maturities designated by the University and by lot within a maturity, on or after July 15, 2024, at a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date.

The Authority, at the direction of the University, may purchase 2014 Bonds called for optional redemption in lieu of such optional redemption, in which event the 2014 Bonds so purchased shall remain outstanding under the Indenture, provided that the Authority and the Trustee shall have received an opinion of nationally recognized bond counsel to the effect that such purchase in lieu of redemption will not adversely affect the exclusion from gross income of the holders thereof for federal income tax purposes of the interest on such 2014 Bonds.

Mandatory Redemption. The 2014 Bonds maturing on July 15, 2038 are subject to mandatory redemption prior to maturity in part by lot, on July 15 of each year as set forth below, in the respective principal amounts listed opposite each such year, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date:

Year	Amount
2035	$1,055,000
2036	1,105,000
2037	1,335,000
2038*	1,405,000

*Maturity Date

In the event that any 2014 Bonds are redeemed (other than through mandatory sinking fund redemption pursuant to the Indenture) and are cancelled by the Trustee, the mandatory sinking fund redemption obligations and payment obligations at maturity with respect to the 2014 Bonds of the same maturity and interest rate shall be reduced in the aggregate principal amount of 2014 Bonds so redeemed, in such amounts and in such order of maturity as shall be directed in writing by the University.

Extraordinary Redemption. The 2014 Bonds are subject to redemption in whole or in part at the option of the Authority, upon the written direction of the University, on any date prior to maturity, at a redemption price of 100% of the principal amount thereof, plus interest accrued to the redemption date, in the event of condemnation, damage or destruction of any material properties of the University, out of the proceeds of insurance, condemnation awards and the proceeds of conveyances in lieu of condemnations deposited with or held by the Trustee for such purpose. In the case of any extraordinary redemption in part, the 2014 Bonds to be redeemed shall be selected for redemption in such order of maturity as the University may direct and within each maturity by lot. Furthermore, in the case of an extraordinary redemption, moneys available therefor shall be allocated to each series of Bonds outstanding under the Indenture subject to such extraordinary redemption as nearly as practicable in the same proportion as the outstanding principal amount of Bonds of each such series bears to the outstanding principal amount of all Bonds subject to such extraordinary redemption.

Notice of Redemption

The Trustee shall give notice of redemption not less than 30 days nor more than 60 days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner at the address shown on the Trustee's registration books. Any failure of a Bondholder to receive notice or any defect in notice with respect to a particular 2014 Bond or 2014 Bondholder shall not affect the validity of the redemption of any other 2014 Bonds. Notice of optional redemption or extraordinary redemption may be conditioned upon the deposit of moneys sufficient to redeem all the 2014 Bonds called for redemption with the Trustee on or before the date fixed for redemption and such notice shall be of no effect unless such moneys are deposited.

If less than all of the 2014 Bonds of any particular maturity shall be called for redemption, the 2014 Bonds of such maturity to be redeemed shall be selected by lot by the Trustee. If a 2014 Bond is of a denomination in excess of $5,000, portions of the principal amount in the amount of $5,000 or any multiple thereof may be redeemed.

BOOK-ENTRY ONLY SYSTEM

Portions of the following information concerning DTC (hereinafter defined) and DTC's book-entry only system have been obtained from DTC. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority, the University and the Underwriter believe to be reliable; however, the Authority, the University and the Underwriter take no responsibility for the accuracy thereof and make no representation as to the accuracy of such information.

General

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2014 Bonds. The 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the 2014 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2014 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2014 Bonds, except in the event that use of the book-entry system for the 2014 Bonds is discontinued.

To facilitate subsequent transfers, all 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2014 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of 2014 Bonds may wish to ascertain that the nominee holding the 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2014 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal or redemption price of and interest on the 2014 Bonds will be paid to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, as applicable, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or redemption price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2014 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2014 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

So long as Cede & Co. is the registered owner of the 2014 Bonds, as nominee of DTC, references herein to the bondholders or registered owners of the 2014 Bonds means Cede & Co., not the Beneficial Owners of the 2014 Bonds.

THE AUTHORITY, THE UNIVERSITY, THE TRUSTEE AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE 2014 BONDS (I) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE 2014 BONDS, OR (II) CONFIRMATION OF OWNERSHIP INTERESTS IN THE 2014 BONDS, OR (III) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE AUTHORITY, THE UNIVERSITY, THE TRUSTEE OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE 2014 BONDS WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (II) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF, OR INTEREST ON, ANY 2014 BONDS, (III) THE DELIVERY OF ANY NOTICE BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2014 BONDS, OR (V) ANY OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

Discontinuation of Book-Entry Only System

DTC may determine to discontinue providing its service with respect to the 2014 Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

SECURITY FOR THE 2014 BONDS

The 2014 Bonds are secured by (i) the funds and accounts established under the Indenture (other than the Debt Service Reserve Fund and the Rebate Fund) and all moneys and investments held therein, and (ii) the pledge and assignment to the Trustee of all of the rights of the Authority under the Loan Agreement (except for the Authority's right to payment of certain fees and expenses and to indemnification), and all loan payments and other payments, revenues and receipts receivable by the Authority thereunder. Pursuant to the Loan Agreement, the University will be required to make payments to the Trustee (as the Authority's assignee) in amounts sufficient to pay the principal or redemption price of and interest on the 2014 Bonds. The Loan Agreement will be a general obligation of the University, secured by a security interest (granted pursuant to the Loan Agreement) in the University's Gross Revenues.

The brief descriptions of the various documents set forth below and the summaries set forth in Appendix C hereto do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions thereof. The summaries of certain provisions of and references to the Indenture and the Loan Agreement are qualified in their entirety by reference to such documents, and the descriptions herein of the 2014 Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the Indenture. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights. Copies of the Indenture and the Loan Agreement may be obtained from the Trustee or the Underwriter.

Limited Obligations of the Authority

THE 2014 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE (AS DEFINED IN THE INDENTURE). NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE 2014 BONDS, NOR SHALL THE 2014 BONDS BE OR BE DEEMED GENERAL OBLIGATIONS OF THE AUTHORITY OR OBLIGATIONS OF THE COMMONWEALTH OF PENNSYLVANIA OR OF ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

The Indenture

The 2014 Bonds are to be issued pursuant to the Indenture and, together with the 2013 Bonds and any Additional Bonds which may be issued from time to time under the Indenture, will be equally and ratably secured thereby; provided, however, that the 2014 Bonds and the 2013 Bonds shall not be secured by the Debt Service Reserve Fund. The Debt Service Reserve Fund may or may not secure any Additional Bonds that are issued under the Indenture as shall be set forth in the supplemental indenture to be executed in connection with the issuance of such Additional Bonds. The Indenture provides that all Bonds issued thereunder shall be special limited obligations of the Authority, payable solely from and secured solely by the payments made by the University pursuant to the Loan Agreement and the funds and accounts (except the Debt Service Reserve Fund (in the case of the 2014 Bonds, the 2013 Bonds and any Additional Bonds not secured by the Debt Service Reserve Fund as set forth in the supplemental indenture to be executed in connection with the issuance of such Additional Bonds) and the Rebate Fund) established under the Indenture. As security for its obligations under the Indenture, the Authority will pledge to the Trustee its rights under the Loan Agreement, including its rights to receive the payments to be made by the University thereunder (except for payments with respect to administrative fees and expenses of the Authority and indemnification of the Authority by the University), all funds and accounts (except the Rebate Fund) held by the Trustee under the Indenture and all income derived from the investment of such funds.

Pursuant to the Indenture, the Trustee has established a Project Fund, Revenue Fund, Bond Fund and Redemption Fund as security for the 2014 Bonds (and the 2013 Bonds and any Additional Bonds). The Debt Service Reserve Fund may or may not serve as security for any Additional Bonds as set forth in the applicable supplemental indenture to be executed in connection with the issuance of such Additional Bonds. Amounts paid by the University under the Loan Agreement will be deposited in the Revenue Fund and, except for amounts required to pay administrative fees and expenses, will be transferred therefrom to the Bond Fund, when required, to pay the principal or redemption price of (upon maturity or mandatory redemption) and interest on the 2014 Bonds and other Bonds. The redemption price of the 2014 Bonds (upon optional or extraordinary redemption) shall be paid from moneys deposited in the Redemption Fund for such purpose.

No Debt Service Reserve Fund for 2014 Bonds

The 2014 Bonds are **not** secured by the Debt Service Reserve Fund, and no funds will be on deposit in the Debt Service Reserve Fund as of the date of issuance of the 2014 Bonds. In connection with the issuance of Additional Bonds, the applicable supplemental indenture executed in connection with the issuance of such Additional Bonds may require the deposit of funds in the Debt Service Reserve Fund to secure such Additional Bonds. The Indenture provides that amounts paid with respect to Bonds secured by the Debt Service Reserve Fund from amounts on deposit in the Debt Service Reserve Fund shall be deemed to be due or overdue for purposes of the ratable application of amounts received by the Trustee pursuant to the exercise of remedies under the Indenture. See also Appendix C hereto.

The Loan Agreement

The Authority will loan the proceeds of the 2014 Bonds to the University pursuant to the Loan Agreement. The Loan Agreement will be a general obligation of the University, under which the University will be required to make payments to the Trustee in amounts necessary to provide for the payment of principal or redemption price of and interest on the 2014 Bonds (and the 2013 Bonds and any Additional Bonds) and, from time to time, additional payments in amounts necessary to make up deficiencies in the funds established under the Indenture and to provide for certain other payments required by the Indenture. The Authority will assign its rights under the Loan Agreement (except as described above) to the Trustee for the benefit of the Bondholders.

The Loan Agreement contains certain additional covenants of the University, including, but not limited to, covenants regarding payment of debt service on the Bonds, the granting of security interests in properties and revenues of the University, transfers of assets, the incurrence of additional indebtedness and the issuance of Additional Bonds under the Indenture. The University's obligations under the Loan Agreement will be secured by a security interest in the University's Gross Revenues. See Appendix C hereto for a definition of "Gross Revenues".

No Mortgage for 2014 Bonds

The University's obligations with respect to the 2014 Bonds are **not** secured by a mortgage with respect to any part of the University's campus or other real property of the University or a lien or security interest in any personal property of the University other than its Gross Revenues. Except as otherwise provided in the Loan Agreement, no lien may be granted to secure Long Term Indebtedness of the University unless a lien of equal or superior rank and priority is granted in favor of the Trustee for the benefit of the holders of all Bonds issued and Outstanding under the Indenture. See "Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE – THE LOAN AGREEMENT – ADDITIONAL INDEBTEDNESS – Security for Indebtedness".

ISSUANCE OF ADDITIONAL BONDS UNDER INDENTURE AND OTHER INDEBTEDNESS

Upon compliance with the applicable provisions set forth in the Indenture, the Authority may, at the request of the University, issue Additional Bonds secured equally and ratably with the 2013 Bonds and the 2014 Bonds. Indebtedness other than the 2013 Bonds, the 2014 Bonds and Additional Bonds may be incurred by the University under the terms and conditions set forth in the Loan Agreement and may be secured by properties and revenues of the University as provided therein. The Loan Agreement permits the grant of liens on Gross Revenues on a parity with or subordinate to the lien granted under the Loan Agreement, subject to the terms of the Loan Agreement. Except as otherwise provided in the Loan Agreement, no lien may be granted to secure Long Term Indebtedness of the University unless a lien of equal or superior rank and priority is granted in favor of the Trustee for the benefit of the holders of all Bonds issued and Outstanding under the Indenture. For further information related to the issuance of Additional Bonds and the incurrence of other indebtedness by the University, see Appendix C hereto.

PLAN OF FINANCE

The 2014 Bonds are being issued to provide funds, together with other available funds, to finance the 2014 Project consisting of: (i) the advance refunding of the outstanding 2005 Bonds; and (ii) the payment of the costs of issuance of the 2014 Bonds.

Simultaneously with the issuance of the 2014 Bonds, the Authority, the Trustee and the University will enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") to provide for the advance refunding of the entire outstanding $20,645,000 principal amount of the 2005 Bonds. A portion of the proceeds of the 2014 Bonds, together with certain funds held under the Indenture, will be held as uninvested cash and/or used to purchase non-callable Government Obligations (as defined in the Indenture), the maturing principal of and interest on which, together with uninvested cash, if any, held under the Escrow Deposit Agreement, will be sufficient to provide for: (i) the payment of the principal of and interest due on the 2005 Bonds, as the same becomes due and payable, to and including July 15, 2015; and (ii) the redemption on July 15, 2015 of the remaining outstanding principal of the 2005 Bonds at a redemption price of 100% of the principal amount thereof. Upon making such deposit under the Escrow Deposit Agreement on the date of the issuance of the 2014 Bonds, the 2005 Bonds will no longer be outstanding under the Indenture, and the payment obligations of the University with respect thereto will be released and discharged.

Causey Demgen & Moore P.C., certified public accountants and consultants, Denver, Colorado, will deliver a report dated as of the closing date for the 2014 Bonds, verifying the accuracy of the mathematical computations of (i) the adequacy of the maturing principal amount of non-callable Government Obligations and the interest income to be realized thereon and/or uninvested cash, if any, to pay the interest due on the 2005 Bonds from the deposit of funds with the Escrow Agent pursuant to the terms and provisions of the Escrow Deposit Agreement, on and, as applicable, prior to their call date, and to redeem the 2005 Bonds on their call date and (ii) the yields on the 2014 Bonds and the Government Obligations, if any, held pursuant to the Escrow Deposit Agreement. Such verification will be based upon information supplied to Causey Demgen & Moore P.C. by the Underwriter. Causey Demgen & Moore P.C. will express no opinion on the assumptions provided to it, nor as to the exemption from taxation of the interest on the 2014 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the 2014 Bonds and other available funds are expected to be applied in substantially the manner described below following issuance of the 2014 Bonds.

Sources of Funds:	
Par Amount of 2014 Bonds	$19,605,000.00
Net Original Issue Premium	791,446.45
Available Funds Under the Indenture	1,563,164.69
Total Sources of Funds	$21,959,611.14
Uses of Funds:	
Advance Refunding of 2005 Refunded Bonds	$21,647,063.52
Costs of Issuance[1]	312,547.62
Total Uses of Funds	$21,959,611.14

[1] Includes the fees and expenses of Bond Counsel, the Authority, Underwriter's discount, Underwriter's Counsel, Trustee, verification agent and rating agency fees, auditing fees, printing expenses and miscellaneous fees.

BONDHOLDERS' RISKS

General. The 2014 Bonds are limited obligations of the Authority and are payable solely from payments made pursuant to the Loan Agreement and from certain other funds held by the Trustee pursuant to the Indenture. No representation can be made or assurance given to the effect that the University will generate sufficient revenues to meet the University's payment obligations under the Loan Agreement. Future legislation, regulatory actions, economic conditions, changes in the number of students in attendance at the University or other factors could adversely affect the University's ability to generate such revenues. Neither the Underwriter nor the Authority has made any independent investigation of the extent to which any of such factors may have an adverse impact on the revenues of the University.

Tuition Revenue. Tuition revenue is the primary revenue source for the University, comprising approximately 80% of its Gross Revenues in fiscal year 2013. While the University has been able to demonstrate a high level of student demand for its academic programs at current tuition levels, there is no assurance that it will be able to continue to do so throughout the term of the 2014 Bonds. Demand for attendance at the University may be subject to factors beyond its control, such as general economic and demographic conditions, funding levels at competing public and private institutions and public and private funding of programs of financial aid. The University currently subsidizes a number of students with scholarship and loan programs which are subject to reduction and limitations. In addition, the academic reputation of the University is a critical factor in assuming continued demand for attendance.

Faculty. The ability of the University to attract and retain faculty members with outstanding credentials is an important factor contributing to the University's academic reputation. Approximately 60 percent of the University's faculty is tenured. Therefore, should any reduction of programs be necessitated by economic conditions, the University will only be able to cut back on faculty in accordance with specific University procedures.

Fundraising. The University has demonstrated its ability to raise funds to finance its operations and capital development programs and to build the size of its endowment from a variety of benefactors. It plans to continue those efforts in the future. There can be no assurance, however, that those efforts will in fact be successful. Such efforts may be adversely affected by a number of factors, including general economic conditions and tax law changes affecting the deductibility of charitable contributions.

Potential Effects of Bankruptcy. If the University were to file a petition for relief under the United States Bankruptcy Code, the filing would result in an automatic stay of the commencement or continuation of any judicial or other proceeding against the University and its property, as well as any other acts to collect pre-petition indebtedness from the University.

In the event of bankruptcy of the University, the security interests granted under the Loan Agreement would not extend to the University's post-petition revenues or other property acquired post-petition, except to the extent that such revenues or other property are proceeds of the pre-petition collateral. In addition, transfers of property made by the University at a time that it was insolvent in payment of or to secure an antecedent debt, including the payment of debt or the granting of any collateral, including receivables and Gross Revenues, on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of the case under the Bankruptcy Code may be subject to avoidance as preferential transfers. Under certain circumstances a court may have the power to direct the use of Gross Revenues to meet expenses of the University before paying debt service on the 2014 Bonds.

In a proceeding under Chapter 11 of the United States Bankruptcy Code, the University could file a plan of reorganization which modifies the rights of creditors generally or the rights of any class of creditors, secured or unsecured. The plan, when confirmed by the court, would bind all creditors and discharge all claims against the debtor. No plan may be confirmed unless, among other conditions, the plan is in the best interests of creditors, is feasible and has been accepted by the requisite class(es) of claimants required by the Bankruptcy Code. A class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan have accepted the plan. Even if the plan is not so accepted (but if all other conditions to confirmation under the Bankruptcy Code have been satisfied), it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting claims or interests impaired thereunder and does not discriminate unfairly. Such an approved plan could limit recoveries by the holders of the 2014 Bonds and/or reduce the collateral pledged as security therefor.

Covenant to Maintain Tax-Exempt Status of the 2014 Bonds. The tax-exempt status of the 2014 Bonds is based on the continued compliance by the Authority and the University with certain covenants contained in the Indenture and the Loan Agreement related to the requirements of the Internal Revenue Code of 1986, as amended. These covenants relate generally to restrictions on the use of facilities refinanced with proceeds of the 2014 Bonds, arbitrage limitations, rebate of certain excess investment earnings to the federal government, and restrictions on the amount of issuance costs financed with the proceeds of the 2014 Bonds. Failure to comply with such covenants could cause interest on the 2014 Bonds to become subject to federal income taxation retroactively to the date of issuance of the 2014 Bonds.

The 2014 Bonds are not subject to redemption or repurchase, nor are the rates of interest subject to adjustment, in the event that interest on the 2014 Bonds becomes taxable.

Enforceability of Remedies. The remedies available to the holders of the 2014 Bonds upon an Event of Default under the Indenture and the Loan Agreement are in many respects dependent upon judicial action, which is subject to discretion or delay. Under existing law and judicial decisions, such as the Federal Bankruptcy Code, the remedies specified in the Indenture and the Loan Agreement may not be readily available or may be limited. A court may also decide not to order specific performance of creditors' rights.

The various legal opinions to be delivered concurrently with the original delivery of the 2014 Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other laws or legal or equitable principles affecting creditors' rights.

State and Federal Legislation. In recent years, the activities of nonprofit tax-exempt corporations have been subjected to increasing scrutiny by federal, state, and local legislative and administrative agencies (including the United States Congress, the Internal Revenue Service (the "IRS"), the Pennsylvania General Assembly and local taxing authorities). Various proposals either have been considered previously or are presently being considered at the federal, state, and local level which would restrict the definition of tax-exempt or nonprofit status, impose new restrictions on the activities of tax-exempt nonprofit corporations, and/or tax or otherwise burden the activities of such corporations (including proposals to broaden or strengthen federal, state and local tax law provisions respecting unrelated business income of nonprofit corporations). There can be no assurance that future changes in the laws, rules, regulations, interpretations, and policies relating to the definition, activities, and/or taxation of nonprofit tax-exempt corporations will not have material adverse effects on the future operations of the University.

Tax Exemptions for Nonprofit Corporation. The IRS and state, county and local taxing authorities audit and investigate operations of nonprofit corporations. These audits may result in disputes about issues ranging from sales tax collections to qualifications of an entity's exemption from property or income taxation. Recently, the IRS has been undertaking audits and reviews of the operations of nonprofit corporations with respect to their generation of unrelated business taxable income or relating to private inurement of net income or profit to non-501(c)(3) entities. In some cases, the tax-exempt status of these entities has been questioned.

Other Risk Factors. In the future, the following factors, among others, may adversely affect the operations of the University to an extent that cannot be determined at this time.

(1) The continued ability and willingness of current and future undergraduate and graduate students of the University, and their families, to be able to afford the tuition and costs of attending the University.

(2) Decreases in student retention and graduation rates.

(3) Adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.

(4) Increased costs and decreased availability of public liability insurance.

(5) Changes in the demand for higher education in general or for programs offered by the University in particular.

(6) Cost and availability of energy.

(7) High interest rates, which could strain cash flow or prevent borrowing for needed capital expenditures.

(8) Decrease in student loan funds or other aid that permits many students the opportunity to pursue higher education.

(9) An increase in the cost of health care benefits, retirement plans, or other benefit packages offered by the University to its employees and retirees.

(10) A significant decrease in the value of the University's investments caused by market or other external factors.

(11) Unknown litigation.

(12) Reduction of funding support from donors or other external sources.

(13) Safety and security incidents including data breaches.

(14) Costs associated with regulatory compliance.

(15) Factors that may adversely affect the University's reputation and image.

(16) The occurrence of natural disasters, including floods and hurricanes, which might damage the facilities of the University, interrupt service to the facilities or otherwise impair the operation and ability of the facilities to produce revenue.

TAX MATTERS

General

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the 2014 Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the 2014 Bonds, assuming the accuracy of the certifications of the Authority and the University and continuing compliance by the Authority and the University with the requirements of the Internal Revenue Code of 1986 (the "Code"). Interest on the 2014 Bonds is not an item of tax preference for purposes of either individual or corporate federal alternative minimum tax; however, interest on 2014 Bonds held by a corporation (other than an S Corporation, regulated investment company or real estate investment trust) may be indirectly subject to federal alternative minimum tax because of its inclusion in the adjusted current earnings of a corporate holder. Bond Counsel expresses no opinion regarding other Federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2014 Bonds.

Bond Counsel is also of the opinion that, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date of initial delivery of the 2014 Bonds, interest on the 2014 Bonds is exempt from Pennsylvania personal income tax and corporate net income tax, and the 2014 Bonds are exempt from personal property taxes in Pennsylvania.

Certain of the maturities of the 2014 Bonds were offered at a discount ("Original Issue Discount") equal generally to the difference between the public offering price and the principal amount. For federal income tax purposes, Original Issue Discount on a 2014 Bond accrues periodically over the term of the 2014 Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of Original Issue Discount increases the holder's tax basis in the 2014 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Holders should consult their tax advisers for an explanation of the accrual rules.

Certain of the maturities of the 2014 Bonds were offered at a premium ("Original Issue Premium") over their principal amount. For federal income tax purposes, Original Issue Premium is amortizable periodically over the term of a 2014 Bond through reductions in the holder's tax basis for the 2014 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Holders should consult their tax advisers for an explanation of the amortization rules.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the 2014 Bonds or otherwise prevent holders of the 2014 Bonds from realizing the full benefit of the tax exemption of interest on the 2014 Bonds. Further, such proposals may impact the marketability or market value of the 2014 Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the 2014 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2014 Bonds would be impacted thereby.

Purchasers of the 2014 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2014 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the 2014 Bonds will be passed upon by Ballard Spahr LLP, Philadelphia, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the Authority by Hartman Underhill & Brubaker, LLC, Lancaster, Pennsylvania; for the University by Imperatrice, Amarant & Bell, P.C., Newtown Square, Pennsylvania; and for the Underwriter by Eckert Seamans Cherin & Mellott, LLC, Philadelphia, Pennsylvania.

ABSENCE OF LITIGATION

There is no litigation of any nature pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the 2014 Bonds or in any way contesting or affecting the validity of the 2014 Bonds, or any proceedings of the Authority, or of the University, taken with respect to the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the 2014 Bonds, or the existence or powers of the Authority or of the University.

There is no action, suit, proceeding or investigation pending against the University or, to the University's knowledge, threatened which might materially adversely affect the business or properties or financial condition of the University, or in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Loan Agreement, or any other documents executed by the University, the performance by the University of any of its obligations thereunder, or the consummation of any of the transactions contemplated in connection with the issuance and sale of the 2014 Bonds.

RATINGS

Standard & Poor's Ratings Services, a division of McGraw Hill Financial and Fitch Ratings have assigned the 2014 Bonds municipal bond ratings of "BBB+" (Outlook: Negative) and "A-" (Outlook: Stable), respectively. Any explanation of the significance of either such rating may only be obtained from the rating agency furnishing the same. There is no assurance that ratings initially assigned to the 2014 Bonds will be maintained for any given period of time or that such ratings may not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Any downward change in or the withdrawal of such rating may have an adverse effect on the marketability or the price at which the 2014 Bonds may be resold by the holder of such 2014 Bonds.

The University has not undertaken to maintain any particular rating on the 2014 Bonds.

FINANCIAL STATEMENTS

The audited financial statements of the University for the fiscal year ended June 30, 2013 are included in Appendix B to this Official Statement. The audited financial statements of the University for the fiscal year ending June 30, 2013 have been audited by CliftonLarsonAllen LLP, independent auditors, as stated in their report appearing therein.

The University's financial statements for its fiscal years ended June 30, 2012 and 2011 beginning on p. 2 of Appendix B to the official statement for the Authority's Revenue Bonds, Series 2013 (Widener University), dated August 15, 2013 (the "August 2013 Official Statement") are hereby included by specific reference. The August 2013 Official Statement is available through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") at http://emma.msrb.org/SecurityView/SecurityDetails.aspx?cusip=AA481342398E88D4A98821609DE6BEE47. No auditor has performed any procedures with respect to such financial statement information in connection with the issuance of the 2014 Bonds.

UNDERWRITING

The 2014 Bonds are being purchased by the Underwriter, subject to terms and conditions set forth in a Bond Purchase Contract between the Authority and the Underwriter and approved by the University. The aggregate purchase price payable by the Underwriter for the 2014 Bonds is $20,266,767.95. This price represents the par amount of the 2014 Bonds, plus net original issue premium of $791,446.45, less an underwriter's discount of $129,678.50. The Bond Purchase Contract provides, among other things, that the Underwriter will purchase all of the 2014 Bonds, if any are purchased, and, in accordance with its terms, the University agrees to indemnify the Underwriter and the Authority against certain losses, claims, damages and liabilities arising out of incorrect statements or information contained in, or information omitted from the Preliminary Official Statement or the Official Statement.

The initial public offering prices for the 2014 Bonds can be changed from time to time by the Underwriter without any requirement of prior notice. The Underwriter reserves the right to join with other dealers in offering the 2014 Bonds to the public. 2014 Bonds may be offered and sold to other dealers (including 2014 Bonds for deposit into investment trusts) at prices lower than the initial public offering prices for the 2014 Bonds.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Authority and the University, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority and the University.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The University intends to use a portion of the proceeds from this offering to redeem the 2005 Bonds. To the extent the Underwriter or an affiliate thereof is an owner of 2005 Bonds, the Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the 2014 Bonds contemplated herein in connection with such 2005 Bonds being redeemed by the University.

CONTINUING DISCLOSURE

The Underwriter and the University have determined that no financial or operating data concerning the Authority is material to an evaluation of the offering of the 2014 Bonds, or any decision to purchase, hold or sell 2014 Bonds, and the Authority will not provide any such information. In order to enable the Underwriter to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule"), the University will enter into a continuing disclosure agreement (the "Continuing Disclosure Agreement") with the Trustee for the benefit of the registered owners from time to time of the 2014 Bonds to annually send certain financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") via its EMMA system, and to provide notice to the MSRB, via EMMA, of certain events, pursuant to the requirements of the Rule. The Authority will have no liability to the owners of 2014 Bonds or any other person with respect to the Rule. See "Appendix E – Form of Continuing Disclosure Agreement."

In connection with the issuance of the University's Revenue Bonds, Series of 2003 (the "2003 Bonds") and the 2005 Bonds, the University entered into continuing disclosure agreements similar to the Continuing Disclosure Agreement that required the University to file its annual audited financial statements and annual operating data (the "Annual Information") within 180 days of the University's fiscal year end. For fiscal year 2009, the University filed its Annual Information on December 29, 2009, which was 2 days late. For fiscal year 2010, the University filed its audited financial statements on time, but failed to file its annual operating data for such year until August 5, 2013. For fiscal year 2011, the University filed its Annual Information on January 13, 2012, which was 17 days late. For fiscal year 2012, the University filed its audited financial statements late on March 13, 2013 and its annual operating data late on May 21, 2013. During calendar year 2013, the University entered into two additional continuing disclosure agreements similar to the Continuing Disclosure Agreement in connection with the issuance of the 2013 Bonds, which continuing disclosure agreements also require the University to file Annual Information within 180 days of the University's fiscal year end. For fiscal year 2013, the University timely filed its Annual Information.

The University intends to fully comply with all current and future continuing disclosure undertakings, compliance of which will be overseen by the Controller of the University. The University has put in place internal procedures to ensure that all future filings are completed on a timely basis in accordance with the Rule.

A failure by the University to comply with the Continuing Disclosure Agreement will not constitute a default or Event of Default under the Indenture or the Loan Agreement, and the holders of the 2014 Bonds will have only the remedies set forth in the Continuing Disclosure Agreement itself.

MISCELLANEOUS

The attached Appendices are an integral part of this Official Statement and must be read together with and as part of this Official Statement.

This Official Statement is not to be construed as a contract or agreement between the Authority and/or the University and the purchasers or owners of any of the 2014 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. No representation is made that any of the opinions or estimates will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the University since the date hereof or the date as of which particular information is given, if earlier.

The distribution of this Official Statement has been duly authorized by the Authority and the University. The Authority has not assisted in the preparation of this Official Statement, except for the statements under the sections captioned "THE AUTHORITY" and "ABSENCE OF LITIGATION" (but only as it relates to the Authority) herein and, except for those sections, the Authority is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the 2014 Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the 2014 Bonds. Accordingly, except as aforesaid, the Authority assumes no responsibility for the disclosures set forth in this Official Statement.

PENNSYLVANIA HIGHER EDUCATIONAL
FACILITIES AUTHORITY

By: /s/ Robert Baccon
Robert Baccon
Executive Director

WIDENER UNIVERSITY, INC.

By: /s/ James T. Harris III
James T. Harris III
President

APPENDIX A

Widener University

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WIDENER UNIVERSITY

History

Widener University ("Widener" or the "University") is a private, metropolitan university that connects curricula to social issues through civic engagement. Dynamic teaching, active scholarship, personal attention, applied leadership, and experiential learning are key components of the Widener experience. Approximately 6,300 students study in the College of Arts and Sciences, School of Business Administration, School of Education, Innovation, and Continuing Studies, School of Engineering, School of Hospitality Management, School of Human Service Professions, School of Law, and School of Nursing.

Widener's eight schools and colleges offer more than 150 programs of study leading to certificates and associate's, bachelor's, master's, and doctoral degrees on four campuses in Chester, Exton, and Harrisburg, Pennsylvania, and Wilmington, Delaware, with the Main Campus in Chester (the "Main Campus"). The University is chartered in both Pennsylvania and Delaware.

Widener University began in 1821 in Wilmington, Delaware, as the Bullock School for Boys. By 1859, the school had become a military academy, and in 1862, it moved to Pennsylvania and changed its name to Pennsylvania Military Academy. In 1867, it purchased 20 acres of land in Chester, Pennsylvania, on the site of what is now the Main Campus. In 1882, the Academy changed its name to Pennsylvania Military College ("PMC"), and for years PMC was known as the West Point of Pennsylvania.

By the mid-1960's, the lack of public support for the Vietnam War took its toll on enrollment in military schools, and PMC was no exception. In 1966, to increase enrollment, women and civilians were admitted for the first time into Penn Morton College, a parallel, coeducational PMC counterpart. The two schools eventually combined to become PMC Colleges (Penn Morton College and Pennsylvania Military College).

In 1972, the cadet corps was disbanded, and PMC became Widener College, which achieved University status in 1979. The University acquired the Delaware Campus in 1976. Today, the 40-acre campus in suburban Wilmington houses the School of Law. The Harrisburg Campus, opened in the fall of 1989, houses a branch of the School of Law and master's level courses in education and nursing.

The most significant transformation of Widener University since the dismantling of PMC is happening currently – in the early part of the 21st century. The Widener of today is almost unrecognizable from the Widener of 2000, and the Widener of 2021 will be a much different University from the Widener of today. Over the past 11 years, the University has invested over $158 million in capital improvements.

Since the turn of the 21st century, Widener has emerged as one of the nation's leading metropolitan universities. Strong leadership, shared vision, and an empowered University community have combined to position Widener as a University on the move, and one to watch nationally as well as regionally. Widener recently received an invitation to join the prestigious

New American Colleges and Universities, a national consortium of 22 selective, independent colleges and universities dedicated to the purposeful integration of liberal arts, professional studies, and civic responsibility.

One of Widener's boldest and most successful moves within the last 10 years was to bring the Philadelphia Speakers Series to the region. Since its debut in fall 2004, the Philadelphia Speakers Series in the Kimmel Center's largest venue has been entirely sold out. The series has introduced thousands to an impressive roster of world leaders, statesmen, distinguished journalists, authors, and other influencers. Widener has become known as the University that brought Henry Kissinger, Jane Goodall, Colin Powell, David McCullough, Thomas Friedman, Doris Kearns Goodwin, Madeline Albright and Bill Clinton to Philadelphia audiences.

Widener has extended educational opportunities to people of all ages, from small children to senior citizens. When a group of senior citizens asked Widener to open an intellectual cooperative about 30 miles away from the Main Campus in Chester, the University agreed, and in less than a year, the Osher Lifelong Learning Institute opened in Exton, Pennsylvania. This enormously successful venture, funded through a $2 million grant from the Osher Foundation, serves the educational needs of the growing numbers of senior citizens in the area and illustrates how Widener responds to the needs of its greater metropolitan area.

In 2005, in response to a poor school system in the City of Chester, the University created the Widener Partnership Charter School ("WPCS"), an incremental growth K-8 charter school that fosters a holistic approach to education. Today, math and reading scores are from 25-30 percentage points higher on end-of-grade tests for the third graders than the scores of peers in the school district. (All WPCS students are admitted through a lottery, not hand-selected for their talents and learning abilities.) The students in the WPCS are performing beyond their peers, and beyond the state's averages with a curriculum that includes arts, music, foreign language, and a consistent message that the students know by heart: "I can change the world." Three years ago parents asked Widener to extend the initial charter from the fifth grade to eighth grade, and the University agreed. The first eighth grade class graduated in May 2014. The operating funding for the charter school comes from the Chester Upland School District, contributions and grants. The University has constructed the school building and is recovering its investment through rent charges to the school. The charter school also serves as an excellent training ground for Widener students by providing volunteer and internship opportunities for students majoring in education and other fields.

Widener consistently takes the initiative to partner with other organizations to leverage resources for maximum impact. Several years ago, Widener spearheaded efforts to coordinate the service work that several colleges and universities were doing in Chester. Widener University President James T. Harris convened the presidents of Swarthmore College, Cheyney University, Delaware County Community College, Neumann University, Penn State Brandywine, along with Widener, to coordinate the outreach and impact that these institutions could have. These schools (collectively known as the Chester Higher Education Council) have created the College Access Center of Delaware County to provide free college preparation services to high school students and adults.

In addition, Widener entered into a long-term ground lease with a local developer to build a new retail and housing facility across from the University. A bank, police substation, convenience store, loft apartments and Chester's only new hotel in the past 35 years comprise University Crossings, a $50 million development that is transforming a main thoroughfare in Chester as well as the University's border. Widener did not finance any of this development and has not assumed any risk. The transaction has no impact on the University's financial statements. The Small Business Development Center that Widener founded is also helping to grow small businesses in Chester.

A 21st century Widener education looks to the surrounding communities as a laboratory. The result of this is a win-win for all partners. Widener students intern at the Small Business Development Center. Graduate students in the Physical Therapy program founded and operate a Chester Community Physical Therapy Clinic for people with no insurance or whose insurance has run out. Nursing students operate a nursing clinic in City Team Ministries several afternoons a week, where they provide basic health care to indigent clients. Social work students mapped the lack of fresh food available in Chester, and helped spur efforts to create a food co-op and two full-service grocery stores. Social work students also provide a range of counseling to Chester residents through the Social Work Counseling Service, and doctoral clinical psychology students provide a range of psychological services to community members through the University's Neuropsychology Assessment Center and its Child Therapy Clinic. Law students staff a host of legal clinics that help veterans, victims of domestic violence, and others. In all of these cases, the students gain hands-on learning by filling a need and helping others. The result is a stronger education and stronger relationships with the community.

Increasingly, a 21st century Widener education is about global leadership. For example, a team of graduate students from the School of Human Service Professions are currently offering professional development programs in areas of social work, clinical psychology, physical therapy, and human sexuality education to employees of one of the largest orphanages in China. Undergraduate engineering students recently helped to bring electricity to a rural village in Panama, and undergraduate environmental science students are working with farmers in Costa Rica to encourage the growth of organic, sustainable, shade-grown coffee. Within the last seven years, the University has established a greater global presence through partnerships with Chongqing Technology and Business University in China and Dongseo University in South Korea.

Leadership is one of the University's key values. In 2011, through a $5 million gift from the Oskin family, it opened the Oskin Leadership Institute, which nurtures students to be strategic leaders and responsible citizens who possess the character, courage, and competencies to affect positive change throughout the world. The Oskin Leadership Institute also offers leadership training for corporate executives.

For the past three years, Widener has invited corporate leaders to the Main Campus to learn about pivotal leadership moments from some of the most successful executives in the area, including the CEO of Aramark, the CEO of Boeing Defense and Security, and in 2013, the CEO of duPont.

Similarly, for the past three years, Widener has co-sponsored the High School Leadership Awards with television station NBC 10. These awards recognize high school leaders throughout the Philadelphia metropolitan area. In 2012, there were 69 students recognized by their high schools; in 2013, there were 93, and that number grew to 134 in 2014. The students take part in a leadership workshop, so Widener is grooming high school students as well as college students and executives for leadership positions. All students who earn this recognition are given special consideration for scholarship support if they enroll at Widener.

This transformation is yielding tangible results. Widener is concluding its largest and most successful fundraising campaign in its history. The University has surpassed its goal of $58 million, despite launching the campaign in 2008 during one of the region's worst economic times in history.

All of this is resulting in a significant shift in public opinion. In perception surveys that the University conducts every few years, the percentage of respondents who say they would recommend Widener for a degree has more than doubled from 2006 to 2012. The public understands the University's identity much better today than it did in 2006, with the percentage of survey respondents who agree that Widener students learn by doing having more than doubled; among parents, it has more than quadrupled.

Additionally, the federal government has identified Widener as a case study on the positive impact colleges and universities can have in stabilizing and improving the nation's struggling communities. The White House launched a new pilot initiative, Strong Cities, Strong Communities (SC2) in July 2011 to help optimize the use of federal resources and leveraging of partnerships to support local community and economic development. The City of Chester was selected as one of six cities nationally. Widener as an anchor institution was a key factor in the selection. The U.S. Department of Housing and Urban Development Office of University Partnership in 2013 released a 23-page report titled "Building Resiliency: The Role of Anchor Institutions in Sustaining Community Economic Development." The report discusses how to create collaborations and partnerships using Widener as a case study.

In 2013, Business Insider, a leading online business news site, named Widener University to its list of the top 25 most underrated colleges in America based on a comparison of the annual U.S. News & World Report college rankings to the mid-career salaries of college graduates. Widener was the only Pennsylvania institution in the top 25.

Strategic Planning Process

In May 2004, the Board of Trustees approved a ten year strategic plan (Vision 2015) for the University: the vision, mission, and strategic goals and objectives that gave Widener a roadmap for the future. The vision statement took the University's past reality and elevated it to an entirely new level. As a metropolitan university, Widener's students come primarily from the Philadelphia metropolitan area and after they graduate, they remain in the area, contributing to the economic and social vitality of the region. The concept of a metropolitan University is not simply geographic; a metropolitan University ties classroom teaching and assignments to the real world. The metropolitan region becomes a laboratory for teaching and learning.

The strategic goals and objectives underscored the metropolitan nature of the University experience at Widener. The plan stressed experiential and collaborative learning and asked the professors to link their curricula to societal needs. It emphasized civic engagement and better integration between the arts and sciences and the professional programs, and called for developing academic programs that address the metropolitan region's most pressing needs.

The University has spent the last eighteen months preparing the next strategic plan (Vision 2021) that began on July 1, 2014 and goes to 2021, which is the University's 200th anniversary. This process was even more inclusive than Vision 2015 and included new steps in the process, including scenario planning and peer reviews of the plan. A new vision statement was prepared as part of the new planning process and the current mission was reaffirmed by the Board of Trustees. The new plan has received unanimous approval from both the University Board of Trustees and the Faculty Council.

Vision Statement

As a preeminent metropolitan university, Widener aspires to be a dynamic, inclusive academic community, transforming students into scholars, leaders and globally engaged citizens.

Mission Statement

As a leading metropolitan university, we achieve our mission at Widener by creating a learning environment where curricula are connected to societal issues through civic engagement. We **LEAD** by providing a unique combination of liberal arts and professional education in a challenging, scholarly, and culturally diverse academic community. We **ENGAGE** our students through dynamic teaching, active scholarship, personal attention, and experiential learning. We **INSPIRE** our students to be citizens of character who demonstrate professional and civic leadership. We **CONTRIBUTE** to the vitality and well-being of the communities we serve.

Locations and Facilities

Widener University is a multi-campus teaching institution located in Chester, Exton, and Harrisburg, Pennsylvania, and Wilmington, Delaware. Chester, site of the Main Campus, is ten miles southwest of Philadelphia along the Delaware River. The Main Campus is comprised of 88 Victorian and modern buildings on more than 100 acres. The University acquired its Delaware campus in 1976. The 40-acre campus in suburban Wilmington houses the Widener University School of Law, and a branch of the School of Education, Innovation and Continuing Studies. The suburban Harrisburg campus, which opened in 1989, houses a branch of the School of Law and master's level courses in Nursing and Education on 20 acres. The Exton Campus opened in 2004 and houses a branch of the School of Education, Innovation and Continuing Studies, as well as the Academy for Learning in Retirement. All other academic programs are offered on the Main Campus in Chester.

Widener University's physical plant consists of 113 buildings of approximately 1.7 million gross square feet ("gsf") located on campuses in Chester and Harrisburg, Pennsylvania and Wilmington, Delaware. The Exton campus building is leased. Roofs, boilers, chillers and other major building components have all been systematically repaired or replaced. All underground fuel storage tanks have been removed to eliminate the associated regulatory and environmental concerns. Recent building projects have utilized geothermal systems to gain heating and cooling efficiencies as well as to be environmentally friendly. A total of 300,000 gsf, about 20% of the Chester Campus, is now served by geothermal systems. A computerized energy management system controls HVAC operations campus wide. The Widener University physical plant provides a safe, aesthetically pleasing, and reliable environment that meets the needs of students, faculty, staff, and the Widener community.

The University has invested approximately $158 million in capital investments over the last 11 years. Improvements have included new and renovated academic, student services, and residence buildings as well as improvements to the computer/electric infrastructure.

Some of the University's featured facilities include:

Old Main, constructed in 1868 and rebuilt in 1882 after a fire, was completely renovated and brought up to code in the mid 1980's including the installation of a sprinkler system, elevator, and air-conditioning. Old Main and the Old Main Annex were placed on the National Register of Historic buildings in 1978. Old Main now houses the offices of the President and Vice Presidents, and other administrative offices. The dome on Old Main is the most significant and nostalgic architectural feature on the Chester Campus. The building was renovated again in 2012.

Wolfgram Memorial Library, a triangular 65,000 gsf building of white brick built in 1970, dominates the heart of the Main Campus and its academic programs. Housing some four million volumes, it also provides significant multi-media and computerized educational opportunities.

Academic Center North, completed in 1989, along with Old Main and Wolfgram Library, encloses the Main Campus's central quadrangle. Its 50,000 gsf houses the Scott Computing Center, classrooms, the School of Hospitality Management and the Math Department.

Leslie C. Quick, Jr. Center, built in 2002, houses the School of Business Administration in its 32,500 gsf. Its architecture is modern, yet reminiscent of the Victorian architecture of the buildings nearest it. Features include an Executive Training Center, a Wall Street Trading Room, computer classroom/labs and multi-media instruction classrooms.

University Center, is so named after a 50,000 gsf expansion doubled the size of the existing student center to create a dramatic entry, large multifunctional lobby, Art Gallery and bookstore space as well as meeting rooms. The dining center underwent a $4.7 million renovation in 2012 that totally changed the look and concept of food service on campus. The food court concept includes new food preparation areas, menus and service ideas.

Leslie C. Quick, Jr. Stadium, is a 45,000 gsf stadium built in 1994 of pre-cast concrete and provides an outstanding venue for football as well as track and field events. The stadium has a capacity of 3,500. The field was converted to artificial turf in 2006.

Athletic Facilities have been vastly improved over the past eight years. New baseball and softball fields were constructed in 2006. The existing gymnasium was renovated in 2008. Two artificial turf playing fields were added in 2006. The infrastructure of the existing swimming pool was replaced in 2013.

Kirkbride Hall, Science and Engineering, consists of the original 83,000 gsf building housing the Science Department and the School of Engineering plus a 50,000 gsf addition completed in 2004. The 2004 addition is served by a geothermal HVAC system and provides state of the art teaching laboratories, faculty-student collaborative research laboratories, animal rooms, small group meeting rooms and multimedia classrooms. An interesting feature both architecturally and educationally is a rooftop astronomical observatory.

Law School Building, Wilmington, Delaware Campus. Of modern architectural design, this building started life as the Brandywine Junior College. It has been added to several times over the years since the Widener School of Law located on the campus. The most recent addition of 50,000 gsf completed in 1998 enabled the entire academic program, administrative staff and instructional facilities to be housed under one roof. Its most notable feature is the Ruby Vail Moot Courtroom, a multimedia amphitheater-style courtroom that is used extensively as a moot court as well as a classroom. The Delaware Supreme Court has heard several cases here over the last several years.

Law School Building, Harrisburg, Pennsylvania Campus. This 50,000 gsf building was completed in 1989 in time for the opening of the Widener School of Law's Harrisburg program. It houses faculty offices, the library and multimedia classrooms.

The Wellness Center, located in the Schwartz Athletic Center, opened in spring of 2006. The 27,000 gsf building is open to all University faculty, students and staff. The structure includes a conference room and multi-purpose room that feature 53 fixed seats as well as state of the art equipment. A 20-foot rock climbing wall is a focal point.

Metropolitan Hall, a 285-bed residence hall, opened in 2006. The accommodations feature suites that house from 4-13 people. All suites come equipped with kitchens and private baths.

Founders Hall, which houses the School of Nursing, opened in fall 2011. The 35,000 gsf building is the first environmentally green building on Widener's campus achieving a silver LEED rating. The facility contains state of the art equipment and labs for research and teaching in the field of nursing. Founders Hall is also the home to The Oskin Leadership Institute, which provides opportunities for all Widener students to develop leadership skills.

Freedom Hall, which opened in August 2013, is a 32,000 gsf building which houses the Communication Studies, Computer Science and Informatics programs. The new state-of-the-art facility includes a TV studio, editing suites, computer labs, and space for student research and laboratory projects.

A new residence hall of 210 beds is due to open in August 2015. The accommodations feature a combination of suites and traditional-style rooms. The hall will also include a food court and living and learning space.

Future capital plans are detailed in the "Future Capital Plans" section in this Appendix A.

Information Technology

Widener University, through the Office of Information Technology Services ("ITS"), supports the instructional and administrative technology needs of the University community. ITS provides the community with a varied array of computing services in a centralized manner while also providing access to individual academic departments to maintain computer and instructional technologies appropriate for the academic mission of the school, college or individual academic programs.

Many resources are available to campus constituents including access to email, electronic calendars, shared file storage, information security and training, web access to online services through the campus portal and websites services. The libraries are fully automated offering online catalogs, course reserves, inter-library loan services, numerous online journals, databases and online support services.

The University maintains two redundant high speed Internet connections, a Gigabyte Ethernet backbone comprised of over 57 miles of fiber connecting the University's three main academic campuses and all University-owned academic and residential buildings. Additionally, every classroom, all faculty and administrative offices and all residential dormitory rooms have high speed access to the network and Internet. Connection between the Delaware and Main Campuses is provided through 17 miles of private fiber. Several network management tools are in place to enhance performance and maintain security of the network. These include intrusion detection services, caching, traffic shaping, attack mitigation tools, routing controls, and traffic monitoring tools. The main computer and server facility is fully equipped with emergency power supply and 30 hour power backup generator. A complete disaster recovery site is housed at the Delaware Campus in a secured location.

Video-conferencing is available at the Main Campus in several dedicated rooms and supported campus-wide with portable equipment. The campuses provide four student open-access computer labs, two on the Main Campus and one each on the Delaware and Harrisburg Campuses. Workstations are also provided throughout all University libraries coupled with total wireless access on all campuses. One hundred percent of the classrooms are equipped with multimedia and Internet capabilities. The University employs an asset management program to systematically replace older workstations on a four-year cycle and classroom technology on a four to five year cycle.

Through the Widener Integrated Network Services Program, the University manages the network infrastructure (including Internet and technical support) for three Delaware County, Pennsylvania school districts.

Governance

The University is governed by a Board of Trustees ("Board") of no fewer than ten (10) nor more than fifty (50) non-honorary members who are required to meet at least annually, but, in practice, meet three times per year. There are currently twenty-eight (28) Board members. A majority or no fewer than ten (10) of the entire number of Trustees shall compose a quorum. At each annual meeting, the Board elects one third, as nearly as may be, of the entire Board as successors to the trustees of the Class whose terms expire at such meeting, to serve for a term of three years. There are eight (8) standing committees appointed by the Board in accordance with the University's bylaws. Other than the Executive Committee of the Board, the actions of all standing committees require ratification by the Board or the Executive Committee. Except for extraordinary corporate action, the Executive Committee of the Board is empowered with the authority of the Board in the management of the University. The Widener Board of Trustees has been recognized as a best practice in governance by the Association of Governing Boards.

Officers

The officers of the Board of Trustees are as follows:

Nicholas P. Trainer……………………………………Chair
Paul S. Beideman……………………………………..Vice Chair
John H. Tilelli, Jr……………………………………...Vice Chair
Eugene D. McGurk, Jr……………………...…………Secretary
James P. Mack III……………………………………..Treasurer
David W. Oskin……………………………………….Past-Chair

Board of Trustees

The names and occupations of the members of the Board of Trustees are as follows:

Paul S. Beideman	President and CEO Avenue of the Arts, Inc. Philadelphia, PA
Thomas H. Bown II	President, Charter Associates Gwynedd Valley, PA
Anthony R. Britton, Jr.	Retired Managing Director RBS Global Banking and Markets Stamford, CT
Leslie Brun	Chairman & CEO Sarrs Group LLC
Leanne Caret	Vice President & CEO, Finance Boeing Defense, Space & Security Philadelphia, PA
Barbara Chamberlain, RN, Ph.D.	Retired Program Manager Transforming Care at the Bedside New Jersey Hospital Association Williamstown, NJ

Thomas L. Sager	Senior Vice President & General Counsel E.I. duPont de Nemours and Co. Wilmington, DE
Cynthia H. Sarnoski, Ph.D.	Retired Senior Vice President Pfizer Pharmaceuticals West Chester, PA
Ronald S. Stead, Ph.D	Retired Senior Consultant AGB Search Washington, DC
Min S. Suh, Esquire	Partner: Obermayer, Rebmann, Maxwell & Hippel, LLP Philadelphia, PA
Richard L. P. Tan	Founder and President Pacific Millennium Group San Diego, CA
Brian P. Tierney, Esquire	CEO, Brian Communications & Realtime Media Bryn Mawr, PA
John H. Tilelli Jr.	Retired General, U.S. Army Chairman and CEO Cypress International, Inc. Alexandria, VA
Nicholas P. Trainer	Retired President Sartomer Company, Inc. Newtown Square, PA
Vito R. Verni	Chairman Verco Properties, LLC Bronx, NY
Sophia Wisnienska	Regional Chancellor University of South Florida
Stephen M. Wynne	Retired CEO, PNC Global Investment Servicing Downingtown, PA

Peter B. Zacharkiw	President Mardel Investments, Inc. Rockville, MD

Administration

The University is administered on a day-to-day basis by the President and other officers of the University. The President, who is a member of the Board of Trustees, directs the general affairs of the University and is responsible to the Board of Trustees as Chief Executive Officer of the University.

The principal administrative officers of the University and their positions, as well as business and academic experiences, are listed below.

James T. Harris III, D.Ed., President. Dr. Harris has served as a College and University president for twenty years. From 1994-2002, he served as president of Defiance College, and since 2002, he has served as president of Widener University.

Under his leadership, Widener has been recognized nationally for its academic excellence and community engagement efforts. Dr. Harris has served in several local, state and national leadership roles, including current service on the international board of trustees for the Council for Advancement and Support of Education ("CASE"), and vice chair of Campus Compact, a national coalition of 1,200 college and University presidents. During 2009-11, he served as chair of the President's Council of NCAA Division III and a member of the executive committee of the NCAA. He is also past-chair of the board of directors for the Association of Independent Colleges and Universities of Pennsylvania (AICUP).

In 2011, he received the Chief Executive Leadership Award from CASE. Earlier in his career, he was recognized by the NAACP of Northwestern Ohio for his commitment to civil rights. In recognition of his contributions to education and the communities he serves, Dr. Harris was named by the John Templeton Foundation as one of the Top 50 Character Building Presidents in America.

Dr. Harris received a B.Ed. from the University of Toledo, a M.Ed. from Edinboro University of Pennsylvania and a D.Ed. from The Pennsylvania State University. All three of his alma maters have honored him for his work in education. Pennsylvania State University gave Dr. Harris the Alumni Fellow Award in 2003 and the Distinguished Alumni Award for his role in bridging Widener and the City of Chester in 2013.

In May 2013, Dr. Harris received an honorary doctorate of humane letters from Widener University in recognition of his many accomplishments. During his tenure, Widener has received national recognition for its leadership in civic engagement and community service, being named among the nation's top service-oriented universities by *Newsweek* and *Washington Monthly*. He oversaw the establishment of the College Access Center of Delaware County and the Widener Partnership Charter School, Pennsylvania's first university-based charter school.

Dr. Harris has remained an active scholar and teacher with over 20 publications. He recently co-authored the book "Academic Leadership and Governance" that was published by Stylus in 2013. Since 2002, he has been on the faculty of the Harvard University summer institutes where he works with future higher education leaders.

Stephen C. Wilhite, D.Phil., Senior Vice President for Academic Affairs and Provost. Dr. Wilhite has served in this position since June of 2011. Previously, he served at Widener as associate provost for graduate studies and dean of the School of Human Service Professions, having joined the Widener faculty in 1983. A tenured professor of psychology, Dr. Wilhite has taught undergraduate courses in human learning, memory, and thinking; developmental psychology; the psychology of hypnosis; and research methodology. At the graduate level, he has taught theories of learning and motivation in Widener's Institute for Graduate Clinical Psychology and applications of educational research in the Center for Education. Dr. Wilhite was the first director of the University's Honors Program from 1989 to 1993 and served as the first chairperson of the Board of Trustees of the Widener Partnership Charter School from 2006 until his promotion to Provost in 2011. He has been a member of accreditation site visit teams for the Middle States Commission on Higher Education and for the Commission for Accreditation of Physical Therapy Education, and he served as a member of the Commission on Learning, Instruction, and Technologies of the University Professional and Continuing Education Association. In November of 2013, Dr. Wilhite was elected to the Commission for Accreditation of Physical Therapy Education.

Dr. Wilhite co-authored the book, *Learning and Memory: The Basis of Behavior* (1992) and co-edited the book, *Civic Engagement and Service Learning in a Metropolitan University: Multiple Approaches and Perspectives* (2011). He has also written numerous journal articles and technical reports. He is a member of various professional organizations, including the American Educational Research Association, the Association for Psychological Science, the International Reading Association, the Association of American Colleges and Universities, and the Coalition of Urban and Metropolitan Universities. Dr. Wilhite's current research interests include applied cognitive psychology and educational psychology, especially in relation to civic and community engagement, emotional competence, higher education leadership, and faculty development. Dr. Wilhite graduated from Emory University with a B.S. in psychology and earned his D.Phil. in human experimental psychology from the University of Oxford.

Joseph J. Baker, C.P.A., M.B.A., Senior Vice President for Administration and Finance. Mr. Baker joined Widener University in May, 1999 with 20 years of financial experience in the financial services industry. He directs the daily administrative and financial matters of the University, with enrollment management, athletics, operations and maintenance, information technology, human resources, legal, campus safety, and all financial functions among his responsibilities. He has coordinated the preparation and implementation of the University's strategic plan, Vision 2015, and the campus master plan, which has resulted in over $158 million of capital investments in new and upgraded academic buildings, residence halls, athletic facilities and other campus improvements. He has frequently served as a presenter on the strategic planning process at higher education planning conferences and has written articles on the subject.

Prior to joining Widener, Mr. Baker spent 20 years in the insurance industry, first at Philadelphia Life Insurance Company and then at Union Fidelity Life Insurance Company. He held the position of Senior Vice President & Chief Financial Officer at both companies.

Mr. Baker currently serves on the Board of Directors of University Technology Park, Widener Partnership Charter School, The Economy League of Greater Philadelphia, and the Eastern Association of College and University Business Officers. He also serves on the member services committee of the Association of Independent Colleges and Universities in Pennsylvania. He received his Bachelor of Science in Accounting from LaSalle University and a Master of Business Administration from the Wharton School of the University of Pennsylvania. He also completed the Institute for Educational Management program at Harvard University.

Linda S. Durant, Senior Vice President for University Advancement. Ms. Durant received her B.S. from the State University of New York at Plattsburgh, a M.Ed. from the State University of New York at Cortland, and has engaged in graduate studies at the University of New Hampshire and at Harvard University's Graduate School of Education. She was an elementary school teacher, assistant elementary school principal and is an adjunct professor in Widener's Master of Public Administration program. Ms. Durant also served various educational and for-profit organizations including the University of New Hampshire, the University of Rhode Island, Bristol Community College, and the Pullman Power Products firm. Prior to coming to Widener, she was the Vice President for Institutional Advancement at Dean College. Ms. Durant joined Widener in her present position in June 2003. She has served on the CASE International Board of Trustees and is currently the Chair of CASE District II. She frequently serves as a national speaker at CASE conferences. She is leading the University's $58 million comprehensive campaign for all four campuses.

Marcine Pickron-Davis, Ph.D., Chief Community Engagement and Diversity Officer. Dr. Pickron-Davis joined Widener University in October 2003. In this position, Dr. Pickron-Davis reports directly to the President and serves as the University liaison and the President's delegate to build community relations and strategic partnerships with the City of Chester. A major priority of her work is to advance Widener's institutional mission to contribute to the vitality and well-being of the metropolitan region. Dr. Pickron-Davis oversees the Office for Community Engagement and Diversity Initiatives which is responsible for fostering University and community partnerships with schools, business and civic leaders, and faith-based organizations; collaborates with and supports faculty engaged in service-learning and community-based research; broadens staff volunteerism in the community; and assists in the development of short and long-term strategies that address the social, economic, and educational needs of the local community. Dr. Pickron-Davis has played an instrumental role in raising the profile of Widener's civic engagement mission which has been recognized by external constituents such as the Carnegie Foundation for the Advancement of Teaching, Project Pericles, and the President's Higher Education Community Service Honor Roll.

In July 2007, Dr. Pickron-Davis assumed leadership of institutional diversity at Widener University. In addition to campus outreach, she serves as a resource and consultant to advance the University's commitment to diversity and inclusion and provides guidance to all academic and administrative units on strategic planning and assessment. With the Provost, Dr. Pickron-Davis co-chairs the Diversity Coalition, a group of campus-wide constituents who are charged with the development and implementation of sustainable strategies to foster an inclusive campus community.

Prior to her arrival at Widener, Dr. Pickron-Davis served as a Research Associate for Research for Action, a Philadelphia-based non-profit organization working in educational research and reform in public education. She received her bachelor's degree from The Pennsylvania State University and her master's of social work degree from Temple University's School of Social Administration. She earned her doctor of philosophy degree in educational leadership at the University of Pennsylvania. Dr. Pickron-Davis completed the Institute for Educational Management at the Harvard Graduate School of Education, the Engagement Academy for University Leaders, as well as Leadership Philadelphia, Inc. She has an adjunct faculty appointment at the Widener Center for Education, Innovation, and Continuing Studies and the Center for Social Work Education.

Accreditation

The University is accredited by the Middle States Association of Colleges and Schools. All business programs—undergraduate, graduate and the Division of Continuing Studies—are accredited by The Association to Advance Collegiate Schools of Business ("AACSB") and the International Association for Management Education. All education programs eligible for review by the National Council for Accreditation of Teacher Education are fully accredited by that organization. All full-time day undergraduate engineering programs (offered by the School of Engineering) are accredited by the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology; nursing, by the Pennsylvania Board of Nurse Examiners and the Commission on Collegiate Nursing Education; and social work, by the Council on Social Work Education. The School of Hospitality Management is accredited by the Accreditation Commission for Programs in Hospitality Administration. The chemistry program is approved by the American Chemical Society.

Widener's graduate programs are additionally accredited by the following: Accrediting Commission on Education for Health Services Administration (Master of Health Administration and Master of Business Administration in Health and Medical Services Administration), American Bar Association (School of Law), American Physical Therapy Association (Doctoral in Physical Therapy Program), American Psychological Association (Institute for Graduate Clinical Psychology), Council on Social Work Education (Center for Social Work Education), Commission on Collegiate Nursing Education (School of Nursing), Pennsylvania Board of Nurse Examiners (School of Nursing), Pennsylvania Continuing Legal Education Board of Supreme Court (School of Law), Pennsylvania Department of Education (Center for Education), Pennsylvania Department of Welfare (Child Development Center) and the Pennsylvania Private School Board (Center for Education).

Colleges, Schools and Academic Programs

The College of Arts and Sciences. The College of Arts and Sciences has three divisions: Humanities, Science, and Social Science as well as curricular oversight for military science and physical education. The College also operates the Music Program, academic assistance centers in mathematics and writing, Theater Widener and the Widener University Art Gallery & Collection.

A prelaw concentration is available to students in any major. An accelerated B.A./B.S./M.B.A. option is also offered in conjunction with the School of Business Administration. The College also offers the Master of Arts in Liberal Studies, the Master of Public Administration and the Master of Arts in Criminal Justice in an evening format. All programs are offered on the Main Campus in Chester, Pennsylvania.

Division of Humanities. The Humanities Division offers majors in creative writing, English, fine arts, French, history, and Spanish. Courses in art history, art studio, Chinese, German, Italian, Japanese, music, and philosophy are also available. A Bachelor of Arts degree is granted. In conjunction with the School of Human Service Professions, a six-year program awarding both the baccalaureate degree in Fine Arts and the Doctorate in Physical Therapy is available.

Division of Social Science. The Social Science Division offers majors in anthropology, communications studies, criminal justice, international relations, political science, psychology, and sociology. In conjunction with the School of Human Service Professions, a six-year program awarding both the baccalaureate degree in anthropology, fine arts, psychology or sociology and the Doctorate in Physical Therapy is available.

Division of Science. The Science Division offers majors in biology, biochemistry, chemistry, computer information systems, computer science, environmental science, mathematics, physics, and science education. Students majoring in computer science or computer information systems may enroll in an optional cooperative education program which is designed for completion within the usual four-year academic program. A Bachelor of Science degree is granted for all programs; a Bachelor of Arts degree in biology is also available. Premedical studies are available in all disciplines. In conjunction with the School of Human Service Professions, a six-year program awarding both the baccalaureate degree in biology and the Doctorate in Physical Therapy is available. Accelerated programs in cooperation with Philadelphia professional schools lead to the B.S./Doctor of Osteopathy or Doctor of Optometry or Doctor of Podiatric Medicine.

The College of Arts and Sciences offers two interdisciplinary majors: gender and women's studies and media informatics. The college offers a wide range of writing enriched courses available for all undergraduate students. An interdisciplinary team-taught capstone course, the Values Seminar, is required of all undergraduates.

In fall 2013, a new building, Freedom Hall, opened and houses the communication studies, informatics, and computer science programs. The three-story, 32,000 gsf structure includes a TV studio, editing suites, a focus group room, a conference facility, multimedia classroom and computer labs designed to promote student research, laboratory projects, and faculty workshops. Its dramatic design and extraordinary use of highly visual décor make the building a campus showplace.

Arts and Sciences faculty and students regularly participate in a summer student research program. In the summer of 2014, 30 students were involved, advised by 20 faculty mentors. Topics of research included: dissecting the function of the exosome in flies; sensationalism or sensitivity: reporting suicide cases in the news media; the "best" way to write about lesbian relationships; and investigating the roles of parvalbumin isoforms in muscle relaxation through differential cation binding. As a service to Chester and the surrounding communities in Pennsylvania, New Jersey, and Delaware, the Science Division offers weekly Monday evening and monthly Friday evening telescope viewing sessions to identify and observe prominent objects in the night sky. Visitors get first-hand experience in viewing planets, stars, nebulae, clusters, and galaxies using the facilities of the Widener University Observatory, which houses a 16-inch computer-driven Meade Cassegrain reflecting telescope. In 2012-13, a total of 550 visitors from September through June participated in these star-gazing sessions.

The School of Engineering. Widener University's School of Engineering is dedicated to providing quality undergraduate and graduate education and to advancing the state of knowledge in engineering, with the aim of preparing graduates for successful professional careers. The four-year undergraduate curricula comprise carefully chosen blends of basic science, engineering science, engineering design, practical engineering applications, and the humanities and social sciences. The degree of Bachelor of Science in Chemical, Civil, Electrical, or Mechanical Engineering is granted. Traditional and computer tracks are offered in Electrical Engineering. Minors in bioengineering, electrical engineering and environmental engineering are available. An accelerated Bachelor's/Master's program is also available to qualified students. Dual bachelor's degrees in chemical engineering and chemistry, electrical engineering and physics, and mechanical engineering and physics are offered with the College of Arts and Sciences. The School of Engineering offers an optional undergraduate cooperative education program in which the student participates in a total of 12 months of industrial employment, while obtaining the bachelor's degree within the normal four-year period. All majors are accredited by the Accreditation Board of Engineering and Technology.

The evening graduate program offers the degree of Master of Engineering with specialization in chemical, civil, computer and software, electrical, or mechanical engineering, or engineering management. An environmental engineering option is available to students in chemical and civil engineering, and engineering management. A dual degree program leading to the Master of Engineering and Master of Business Administration degrees is offered jointly with the School of Business Administration. In addition, one graduate certificate is offered in Land Development.

Widener's School of Engineering recently joined the Kern Entrepreneurship Education Network ("KEEN"). KEEN is a collaboration of 19 U.S. universities that strive to instill an entrepreneurial mindset in undergraduate engineering and technology students. KEEN's mission is to graduate engineers who will contribute to business success and in the process transform the American workforce. Graduates of KEEN schools are prepared to identify new technology-based business opportunities in their engineering disciplines. This network of colleges creates synergy between member institutions that takes advantage of the network's collective faculty in a manner that transcends an individual university's status. This focus on entrepreneurial leaders is increasingly important as the U.S. competes to maintain its economic position in a global marketplace based on innovation. The School of Engineering's involvement in KEEN supports the University's strategic goals related to leadership and innovation.

The School of Hospitality Management. Students enrolled in this four-year program are required to complete courses in liberal arts and the sciences, business administration, and hotel and restaurant management as well as three work experiences consisting of two paid summer internships and one cooperative education semester. The program leads to the Bachelor of Science in Hospitality Management. The School also offers a Master of Science in Hospitality and Tourism. The undergraduate program is accredited by the Accreditation Commission for Programs in Hospitality Administration.

The School prepares students to become leaders with a global perspective through its Global Leadership Program. Students gain hands-on international experiences that provide a competitive advantage for employment with multi-national companies and prepare them to manage a multicultural workforce. Global Leadership participants study at one of Widener's partner sites in Australia, Ireland, the United Arab Emirates, Greece, Hong Kong, Switzerland, or England. The undergraduate hospitality management program has been rated in the top 20 programs in the country by the Journal of Hospitality and Tourism Education.

The School of Human Service Professions. Primarily, but not exclusively, offering graduate programs, the School of Human Service Professions is composed of the Center for Social Work Education, the Institute for Graduate Clinical Psychology, the Institute for Physical Therapy Education and the Center for Human Sexuality Studies. Additionally, Social Work Counseling Services, the Neuropsychological Assessment Center, the Organizational Development Service, the Biofeedback Clinic and Certification Center, and the Chester Community Physical Therapy Clinic all reside within the school. All programs are offered on the Main Campus in Chester, Pennsylvania.

Center for Social Work Education. The Center for Social Work Education offers Bachelor of Social Work, a Master of Social Work degree with an emphasis on advanced clinical practice, and a Ph.D. degree in advanced clinical social work practice and theory. The master's program provides advanced standing for eligible B.S.W. graduates. Additionally, there are a number of social science certificates available to social work majors. Degrees granted are the B.S.W., the M.S.W., and the Ph.D. The Center also offers a dual degree in social work and human sexuality education (M.S.W./M.Ed. and M.S.W./Ph.D.) with the Center for Human Sexuality Studies. Through this dual degree program, individuals can become leaders in social work and human sexuality in the only master's program of its kind in the nation. This program prepares professionals for national certification as a sexuality mental health professional. Widener's Ph.D. in Social Work is designed for the experienced working professional looking for a part-time doctoral program that prepares academic leaders with skills and expertise in scholarly research, teaching, and advanced practice.

Center for Human Sexuality Studies. The Center offers Master of Education (M.Ed.) and Doctor of Philosophy (Ph.D.) degrees in Human Sexuality Studies. The Center prepares future and current professionals to teach, consult, provide counseling and therapy, and conduct research in a variety of settings on complex issues related to human sexuality. The Center offers two dual degree programs, a Masters in Social Work and Masters of Education (M.S.W./M.Ed.) in conjunction with the Center for Social Work Education, and a Masters of Education and Doctor of Psychology (M.Ed./Psy.D.) in conjunction with the Institute for Graduate Clinical Psychology. Students may also pursue a Pennsylvania School Counselor certification through a joint program with the School of Education, Innovation and Continuing Studies. The Center's curriculum fulfills all of the American Association for Sexuality Educators, Counselors, and Therapists' (AASECT) academic and supervision requirements for certification as a sexuality educator (CSE) or sexuality therapist (CST). The human sexuality programs prepare teachers, social workers, psychologists, nurses, counselors, clergy persons, physicians, and recent college graduates for a range of professional work addressing human sexuality issues.

Institute for Graduate Clinical Psychology. The Institute for Graduate Clinical Psychology offers a five-year, full-time clinical psychology program and three-year postdoctoral respecialization program. American Psychological Association continuing education credits and Act 48 credits from the Commonwealth of Pennsylvania are granted for participation in specially designed workshops and seminars. Degrees granted are Master of Arts in Psychology and Doctor of Psychology. The Institute also offers a number of dual degrees, including psychology and law (Psy.D./J.D.) with the Widener University School of Law; psychology and business administration (Psy.D./M.B.A.) and psychology and health care management (Psy.D./M.B.A.-H.C.M.) with the School of Business Administration; psychology and criminal justice (Psy.D./M.A.C.J.) with the College of Arts and Sciences; and Psychology and Education (Psy.D/.M.Ed.) in Human Sexuality Education with the Center for Human Sexuality Studies. The doctoral training program offered by the Institute for Graduate Clinical Psychology is unique in that it includes an integrated internship in years four and five of the program, during which students continue to take courses and work on their dissertations while completing the internship required for licensure as a clinical psychologist. For the fall 2013 cohort, 321 applications were received for 31 seats.

Institute for Physical Therapy Education. The Institute for Physical Therapy Education offers a Doctor of Physical Therapy (D.P.T.) degree in a full-time three-year format. An accelerated 3 + 3 program permits undergraduate students enrolled in appropriate majors to apply to the graduate program in the junior year. Holders of an associate's degree from an accredited Physical Therapist Assistant Program may enter the University's Division of Continuing Studies to complete the B.S. in Allied Health and, after five semesters of course work, become eligible to apply to the physical therapy program, leading to the D.P.T. Students in the D.P.T. program spend 31 weeks in full-time clinical rotations across four different physical therapy settings. The program maintains relationships with over 500 clinical sites nationwide, with about half of those in the mid-Atlantic region. For the fall 2013 cohort, 750 applications were received for 50 seats. As a community outreach effort of the Institute for Physical Therapy Education, the Chester Community Physical Therapy Clinic provides compassionate and cost-effective physical therapy care to uninsured and underinsured members of the Chester community. The clinic is funded entirely through grants and donations, and staffing is provided entirely by students studying physical therapy and alumni volunteers who supervise the students and deliver pro bono care. The clinic is completely student-led, meaning that graduate students in Widener's Institute for Physical Therapy Education occupy the leadership positions at all levels of the organization to ensure that the clinic runs smoothly.

The School of Business Administration. Major, full-time undergraduate programs are offered in accounting, business informatics, economics, finance, international business, and management. Within the management program, students may focus their studies in marketing, finance, human resources, operations management, or general management. Economics and finance majors can specialize in personal financial services. Upon graduation, students who complete this curriculum are eligible to sit for the Certified Financial Planner™ examination. Each major curriculum is built upon a common foundation of courses which emphasize fundamental business principles, conceptual skills, and analytical tools. The school also offers full-time undergraduates an optional cooperative education program through which students may participate in a total of 12 months of pre-professional employment while still obtaining the bachelor's degree within the normal four-year period. All full-time, undergraduate programs in business lead to the Bachelor of Science in Business Administration degree and are offered on the Main Campus. Accelerated B.S./M.B.A. and B.S./M.S. in Business Process Innovation, and Taxation & Financial Planning are also available.

The School's Master of Business Administration program is offered in both full-time and part-time formats and offers concentrations in Business Process Management, Enterprise Resource Planning, Financial Planning, Health Care Management, Human Resource and Organizational Leadership, and Marketing. The Master of Science in Business Process Innovation has Accounting Information Systems and Management Information Systems tracks. Dual degree programs lead to the B.S./M.B.A. or J.D./M.B.A. (offered in conjunction with the School of Law), M.E./M.B.A. (offered in conjunction with the School of Engineering), Psy.D./M.B.A., Psy.D./M.B.A.-H.C.M. (all offered in conjunction with the School of Human Service Professions), and M.D./M.B.A. The M.D./M.B.A.-H.C.M. degree is offered in conjunction with the Jefferson Medical College of Thomas Jefferson University. Certificate programs include the Certificate of Advanced Graduate Studies, and Certificates in Accounting Information Systems, Business Process Innovation, Financial Planning, Health Care Management, Human Resource and Organizational Leadership, and Taxation. The graduate programs are offered on the Main Campus.

In fall 2012, the University introduced new majors in business informatics and digital media informatics. The informatics majors focus on a wide range of technical and cyberspace skills in the rapidly changing business and media environments.

The School's undergraduate and graduate business programs are accredited by AACSB International. Health Care Management programs are also accredited by the Commission on Accreditation for Health Care Management Education. The Master of Science in Taxation and Financial Planning and the Financial Planning track within the M.B.A., as well as the Certificate in Financial Planning, are registered with the CFP™ Board of Standards. Students completing any of these programs are eligible to sit for the CFP™ examination.

The School of Nursing. The School of Nursing offers a baccalaureate program which leads to the Bachelor of Science in Nursing (B.S.N.) degree. The curriculum begins with a foundation in the humanities and natural and social sciences and expands to a focus on health and application of the nursing process. Students study on the Main Campus in Chester while receiving clinical education at various health care facilities. Registered nurses are accepted into the R.N. to B.S.N. program. Courses are offered in a hybrid format combining online content delivery with up to four on-campus class meetings. The nursing courses can be started in any semester and can be completed in one calendar year.

Programs leading to the Master of Science in Nursing (M.S.N.) degree and certification as an advanced practice registered nurse (APRN) are offered in adult nursing (specialty in critical care/emergency available); psychiatric/mental health nursing, and family nurse practitioner. Post-master's (PM) certificates are also available in all specialties. The R.N./M.S.N. accelerated program is designed for Registered Nurses with a baccalaureate in another discipline. A program leading to a Doctor of Philosophy prepares nurse scholars for educational leadership and faculty roles. The Doctor of Nursing Practice (D.N.P.) program prepares advanced practice nurses currently certified in an area of specialty offered at the School of Nursing to practice at the highest level of clinical leadership. All graduate programs are headquartered and offered in their entirety on the Chester Campus. The family nurse practitioner ("FNP") program and the core curriculum for all master's level courses are also offered on the Harrisburg Campus. The School of Nursing bachelor's, master's, and doctor of nursing practice programs are accredited through the Commission on Collegiate Nursing Education, and the bachelor's and FNP programs are approved by the Pennsylvania Board of Nursing.

Dedicated in fall 2011, Founders Hall is a 35,000 gsf, three-story new building in the heart of the Main Campus that houses the School of Nursing. The state-of-the-art space features laboratories and multimedia classrooms for the teaching, simulation, and learning of modern nursing practices, including a nurses' station, a hospital simulation lab, and an intensive unit/trauma lab. The curriculum, clinical placements, and simulation experiences are integrated into an intensive preparation at the undergraduate level for immediate clinical practice and have resulted in a 95% pass rate on the most recent National Council Licensure Examination for graduates from the B.S.N. program. The School of Nursing has also been named a Center of Excellence by the National League for Nursing for 2013-2017.

The School of Education, Innovation and Continuing Studies. This new school brings together Education and Continuing Studies – two innovative units that reflect Widener's commitment to lifelong learning and excellence in teaching. The school houses the Widener Child Development Center (for 3-5 year olds); offers high school, college, and associate's, bachelor's, master's, and doctoral level programs; and hosts the Osher Lifelong Learning Institute for mature adults. The School of Education, Innovation and Continuing Studies is committed to lifelong learning and prepared to offer education programs to people of all ages.

Division of Continuing Studies. Operating on the Main, Exton and Delaware Campuses, the Division of Continuing Studies offers part-time, degree and non-degree programs for adults; Saturday Studies; Online Learning; NetCampus – an accelerated option and other off-campus University offerings. Programs lead to the following degrees: Associate in Arts, Associate in Science, Bachelor of Arts, Bachelor of Science in Allied Health, Bachelor of Science in Business Administration, and Bachelor of Science in Professional and Applied Studies and a Masters of Arts in Allied Health Education. A certificate, associate and bachelor's degrees in Paralegal Studies are offered in conjunction with the Legal Education Institute. The Division has responsibility for the Osher Lifelong Learning Institute for senior adults that offers courses on the Exton Campus.

Division of Education. The Division of Education offers majors and certification in PreK-4/Special Education and grades 4-8 with concentrations in social studies, mathematics, language arts, and science. Secondary certification is also available in mathematics, science, social studies, English, and modern languages. In addition, a Master of Education with options among 21 concentrations and certifications is offered. The Doctor of Education is available in school administration, reading and language arts, and leadership in higher education. Degrees granted are the B.A., M.Ed., and the Ed.D. The Division also operates the Widener Child

Development Center and supervises the *Widener Reads* and *Widener Counts* programs, part of the *America Reads* program. Both the Child Development Center and the Widener Partnership Charter School are resources for education students, serving as learning laboratories where students gain hands-on experience and tap the expertise of the University's nationally renowned faculty in education and social work.

The Widener University School of Law. The School of Law ("SOL") includes two fully accredited campuses in Wilmington, Delaware and Harrisburg, Pennsylvania, the state capitol. The Delaware campus specializes in corporate law, criminal law, environmental law, health law, and trial and appellate advocacy. The Harrisburg campus specializes in public law and legislation, constitutional law, consumer law, and environmental law. The SOL curriculum offers experiential learning opportunities such as supervised clinical programs: a veterans law clinic, a Pennsylvania civil law clinic and a criminal defense clinic, a Delaware civil law clinic specializing in domestic violence matters, and an environmental law clinic. The SOL also offers hands-on judicial, public interest and global externships exemplified by the Wolcott fellowship program where SOL students serve as judicial clerks in the chambers of each justice of the Delaware Supreme Court. Students at each campus are eligible for the summer international institutes in Venice, Italy, Lausanne, Switzerland and Nairobi, Kenya as well as a semester abroad program with the Southwest University of Political Science and Law in Chongqing, China. Degrees offered are the Juris Doctor (J.D.), the first degree in law that qualifies a graduate to take the bar exam; the Master of Laws (LL.M.) in Corporate Law and in Health Law; and the Doctor of Juridical Science (S.J.D.). Dual degrees are offered in conjunction with the School of Management (J.D./M.B.A.), the School of Human Service Professions (J.D./Psy.D.), the Juris Doctor/Master of Library Science (J.D./M.S.L.S.) program and the Juris Doctor/Master of Marine Studies program. The two joint degrees offered with Thomas Jefferson University are the Juris Doctor/Master of Public Health (J.D./M.P.H.) and Master of Jurisprudence/Master of Public Health (M.J./M.P.H.).

The SOL also offers degrees for non-lawyers: a Master of Jurisprudence in Corporate Law, a Master of Jurisprudence in Health Law, and a Doctor of Laws (D.L.). The masters programs offer specific tracks that allow students to earn the M.J. in Health Law with a certificate in either Regulatory Analysis & Compliance or Legal Nurse Consulting & Hospital Regulatory Compliance, or the M.J. in Corporate Law with a certificate in Regulatory Analysis & Compliance. There are online Master of Jurisprudence programs in Health Law and Corporate Law. The Widener University Law Center houses the Legal Education Institute (L.E.I.) on the Delaware Campus. L.E.I., in cooperation with School of Education, Innovation and Continuing Studies, offers bachelor and associate degrees in Paralegal Studies. L.E.I. offers paralegal certificates with concentration of study in corporate law, criminal law, estate administration, litigation, real estate, health law and intellectual property. The Law Center includes a continuing legal education program.

In May 2014, the University's Board of Trustees authorized the administration to seek acquiescence from the American Bar Association (ABA) in the reorganization of the SOL's administrative and fiscal structure. This reorganization will result in the final separation of the administrative offices and budgets of the two campuses of the SOL, resulting in each campus operating as a separate and independent law school within Widener University.

The proposed reorganization of the administrative structure of the SOL into two separate and independent law schools within Widener University is being sought to permit even greater differentiation of the offerings and strengths of the two campuses and will permit more effective branding and marketing of the distinctiveness of the two campuses.

Under the new administrative structure, each campus will operate entirely independently of the other, although both will continue to be a part of Widener University. Each campus will have a dean and an administrative staff who report to that dean. The dean in turn will report to the University leadership. Although each campus will become an autonomous law school, because both schools will remain part of Widener University, the schools will continue to seek ways to collaborate for the benefit of the University's respective students, alumni and communities. If approved by the ABA, this transition would begin in the 2015 fiscal year.

The Oskin Leadership Institute. The mission of the Oskin Leadership Institute is to perpetuate and strengthen the University's long and noble tradition of inspiring its students to be strategic leaders and responsible citizens who possess the character, courage, and competencies to affect positive change throughout the world. The Institute's long-term vision is to drive Widener University's evolution into a world-class leadership degree producing institution recognized for its innovative leadership programs, especially opportunities for Widener students to lead outside their "comfort zones."

LEADERworks Certificate Program. LEADERworks is Widener's leadership certificate program, open to all undergraduates. Students participate in 15 one-hour leadership workshops that fit into their schedules. Many Widener students also take workshops as part of a required class. By taking just one workshop a month, students reach 15 workshops by the end of their sophomore year. Once students attend 15 workshops, they begin creating their own Leadership Portfolio, with the help of a coach from the Oskin Leadership Institute. The portfolio is designed to help students reflect on the insights they've gleaned about leadership – especially lessons learned through their own leadership experiences at Widener. Students present their leadership portfolio at a ceremony and receive their LEADERworks Certificate from the Oskin Leadership Institute.

Global Leadership Program. The Institute has developed an intensive and challenging set of experiences for emerging leaders in corporations and non-profit organizations throughout the Philadelphia region and beyond. The Institute recently welcomed 12 rising executives from the Pacific Millennium Group, a China-based corporation.

High School Leadership Awards. Principals in Pennsylvania, Delaware, and New Jersey select one high school junior from their school for this awards program. Selected students receive a $20,000 scholarship over four years if they enroll at Widener University as undergraduates. Selected students are also invited to participate in specially designed leadership experiences at Widener following their matriculation.

Voices of Leadership. The Voices of Leadership annual dinner focuses on inviting a business or civic leader to engage in a one-on-one conversation across a wide range of topics and themes, including the ways in which courage and character have informed and shaped the leader's career. Joseph Neubauer, CEO of Aramark, Dennis Muilenburg, president and CEO of the Boeing Defense, Space, & Security sector, and Ellen Kullman, CEO of duPont, have been the honored speakers in the last three years.

Beideman Visiting Scholar. The Visiting Scholar program invites a distinguished scholar to campus to conduct research and lecture on topics and themes that will likely inform and shape the future work of the Oskin Leadership Institute. The most recent Visiting Scholar was Dr. Mary Gentile. Recognized worldwide for her groundbreaking work in the area of business ethics, Dr. Gentile taught for ten years at the Harvard Business School and she is the author of *Giving Voice to Values*.

Faculty and Employees

The University has 288 full-time faculty, of whom 60% have tenure and 90% (including administrators who hold faculty rank) hold a terminal degree or its equivalent. The University employs 425 part time faculty members. As of September 2013, the University employed 713 full and part-time faculty members in the following capacities:

	Fall 2013
Professors	73
Associate Professors	108
Assistant Professors	70
Instructors	15
Lecturers	22
Sub-total Full-Time Faculty	288
Part-Time Faculty	425
Total Faculty	713

The University has a student/faculty ratio of 12:1.

In Fall 2013, excluding faculty, the University had 653 full-time and 178 part-time employees. The University is not party to any collective bargaining agreements.

Pension and Other Post-Employment Benefit Plans

The University has a 403(b) tax-deferred savings plan for faculty, administrative staff and other employees. The plan is funded by the purchase of individual annuity contracts and mutual funds and is administered through Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) and The Vanguard Group. Annually, the University contributes 5% of each participant's base salary after the employee has met the service requirement. All eligible employees may also elect to make before-tax salary reduction contributions of up to 5% of their salary to their regular annuity accounts, which are matched by the University equally up to 5%. The University's maximum total contribution is 10% for an employee making a full 5% voluntary contribution. Employees may also make additional before-tax salary reduction contributions to a tax-deferred annuity. Employees vest immediately in all contributions made by the University. The maximum amount that an employee can defer into the retirement plan is determined by the IRS each year.

The University established a non-funded defined benefit retirement plan for Pennsylvania Military College (PMC) and Widener College employees who were hired before the implementation of the savings plan to provide and/or supplement the individual's retirement income. The plan currently has 8 participants; there are no other employees who are eligible to participate in this plan. The projected payments for the 2015 fiscal year are $21,881.

Total expenses relating to the above savings plan and pension payments were $6.2 million in fiscal year 2013 and are projected to be $5.5 million in the 2014 fiscal year.

In addition, the University provides retiree health benefits to eligible retired faculty, administrative staff and other employees who meet the service requirement and retire from Widener at or after the age of 65. In September 2008 the University changed the plan from a defined benefit plan for employees over the age of 40 to a revised defined benefit plan for employees 40 or older and to a defined contribution plan for all employees under the age of 40 and employees hired after that date. The defined benefit plan had 735 participants at June 30, 2013 and 660 participants at June 30, 2014. The total post-retirement medical benefit obligation was $47.8 million at June 30, 2013 and is projected to be $48.6 million at June 30, 2014. The net periodic benefit cost reported as an expense in the statement of activities was $6.3 million in 2013 and is projected to be $4.2 million at June 30, 2014. The defined contribution plan had 134 participants at June 30, 2014. Contributions to the defined contribution plan were $0.3 million in 2013, and are projected to be $0.3 million at June 30, 2014. The plan is funded on a pay-as-you-go basis.

See Note 9 in the Notes to Financial Statements in Appendix B for further information concerning retirement plans and post-employment benefits.

Student Enrollment

The following table shows the University's total fall full-time equivalent ("FTE") enrollment for the following five fiscal years.

	Fiscal Year Ended June 30,				
	2010	**2011**	**2012**	**2013**	**2014**
Undergraduate Day	2,780	2,756	2,790	2,795	2,941
Non-traditional Undergraduate	169	171	143	132	170
Graduate	979	1,014	1,027	1,057	1,032
School of Law	1,451	1,479	1,390	1,202	1,010
Total Student FTE	5,379	5,420	5,350	5,186	5,153

The full-time equivalent student enrollment for the undergraduate day program has been increasing steadily over the last five years and is projected to continue to grow. New undergraduate programs in biomedical engineering, informatics, communication studies, computer science and finance and strong demand for nursing and engineering are expected to drive the undergraduate growth. Fiscal year 2013 represented the largest number of full-time undergraduates in the University's history, and the fiscal year 2014 enrollment was even higher as a freshmen class of 827 matriculated. While the undergraduate population is growing and is projected to increase for the next several years, enrollment in the law school is expected to continue to decline due to the national decline in law school applicants and the University's intention to improve the student profile. Non-traditional student enrollment in the Division of Continuing Studies has also been reduced over the last five years in order to comply with accreditation requirements and to exploit strong market niches.

The University's students are from 49 countries and 42 states. The leading states are Pennsylvania (59%), New Jersey (21%), Delaware (8%), Maryland (3%), and New York (2%).

See "Management Discussion" section herein for additional information regarding student enrollment.

Applications and Acceptances

The following tables indicate applications, acceptances, and matriculations for part-time and full–time undergraduate day students and law school students for the fall semesters for the following five fiscal years.

	Fiscal Year Ended June 30,				
	2010	**2011**	**2012**	**2013**	**2014**
Undergraduate:					
Applications	4,636	4,739	5,329	4,863	5,461
Acceptances	3,251	3,322	3,531	3,186	3,673
Matriculations	710	718	755	710	827
Acceptance %	70%	70%	66%	66%	67%
Matriculation %	22%	22%	21%	22%	23%

Undergraduate applications have increased 18% from 2010 to 2014 and the freshmen class in the fall semester of the 2014 fiscal year was the largest in the University's history. See "Management Discussion" section herein for additional information regarding applications and acceptances.

	Fiscal Year Ended June 30,				
	2010	**2011**	**2012**	**2013**	**2014**
Law School:					
Applications	3,276	3,048	2,792	2,457	1,675
Acceptances	1,698	1,579	1,451	1,291	1,060
Matriculations	566	566	468	331	316
Acceptance %	52%	52%	52%	53%	63%
Matriculation %	33%	36%	32%	26%	30%

In fiscal years 2012 through 2014, the School of Law was effected by the national decline in LSAT takers, applications and matriculants. The decline in 2014 matriculation was much smaller than in the prior two years. See "Management Discussion" section herein for additional information regarding applications and acceptances.

Academic Quality

The indication of academic quality of the first year students at the University (enrolled students in the fall semester) is shown in the following table for the following five fiscal years.

	Fiscal Year Ended June 30,				
	2010	**2011**	**2012**	**2013**	**2014**
Undergraduate:					
SAT Math	517	518	505	519	525
SAT Verbal	496	497	486	500	502
University Composite	1013	1015	991	1019	1027
Avg. High School GPA	3.31	3.31	3.36	3.36	3.40
Law School:					
Average LSAT scores	152	152	151	150	149

At a time when national SAT averages declined, the undergraduate program's average SAT score rose 28 points in 2013 and increased again to 1027 in 2014. The average high school GPA, which correlates best for retention and graduation of students at Widener, also continues to increase.

Student Fees

The following table shows the University's tuition and board charges for the following five fiscal years. Widener University consistently maintains its undergraduate charges near the median level of its peer comparison group.

	Fiscal Year Ended June 30,				
	2010	**2011**	**2012**	**2013**	**2014**
Undergraduate:					
Tuition & Fees	$31,840	$33,270	$34,762	$36,382	$38,028
Room & Board	11,270	11,720	11,896	12,248	12,340
Total	$43,110	$44,990	$46,658	$48,630	$50,368
Graduate (per credit hour)	$528-874	$552-914	$576-954	$602-996	$630-1,040
School of Law	$33,380	$34,800	$36,350	$38,130	$39,480

In fall of the 2014 fiscal year, the University had a bed utilization of 99.2%. Because of the undergraduate demand in fall 2013 (2014 fiscal year), the University leased an entire floor at a nearby hotel to accommodate undergraduate students who need housing.

Student Financial Aid

During the 2014 fiscal year, approximately 96% of the University's full-time undergraduate students received some form of financial aid. Sources of financial aid include University, state and federal grants, loans and work-study programs.

The following table shows the University's undergraduate student financial aid dollars for the five most recent fiscal years (000's omitted).

	Fiscal Year Ended June 30,				
	2010	**2011**	**2012**	**2013**	**2014**
Federal and State [(1)]	$5,637	$5,340	$5,941	$5,529	$5,696
Non-Institutional [(2)]	2,655	2,328	1,706	1,732	1,958
Campus Based [(3)]	3,402	3,590	3,298	3,522	3,604
Institutional Aid [(4)]	34,654	37,999	41,456	45,758	52,105
Loan Programs [(5)]	31,367	34,567	36,443	35,855	36,875
Total Student Aid	$77,715	$83,824	$88,844	$92,396	$100,238

(1) Includes Federal Pell Grants, Federal ACG/SMART Grant (until program end in fiscal year 2011) and State Grants
(2) Includes all other non-institutional scholarships
(3) Includes Federal SEOG, Federal Perkins Loan, and Federal Work Study
(4) Includes all forms of institutional scholarships, grants, and work programs
(5) Includes Federal Direct Stafford Loans, Federal Direct PLUS Loans, Widener undergraduate Loans, and private alternative loans

In accordance with generally accepted accounting principles, financial aid awarded to a student directly by a third-party source, including certain federal and state grants, certain loan programs including federal Direct Stafford and PLUS Loans, and third party scholarships, is considered to be a pass-through from the University's perspective and is not included in the statement of activities. Aid awarded by the University, including institutional aid and campus-based federal aid, is included in net tuition revenue.

Competitive Institutions

For comparative purposes, the University uses the following institutions with regard to total tuition, fees, and room & board for the fiscal year ended June 30, 2014.

School	2013/14
Drexel University	$59,920
Villanova University	56,289
Ursinus College	55,630
St. Joseph University	52,272
Scranton University	51,940
LaSalle University	51,520
Widener University	**50,368**
Arcadia University	49,370
Susquehanna University	49,170
Rider University	48,455
Elizabethtown College	47,600
Albright College	46,660
Moravian University	46,162
Lebanon Valley College	45,230
Delaware Valley College	44,614
Lycoming College	44,566
Wilkes University	42,786
Cabrini College	40,859
Gwynedd-Mercy College	39,430
Neumann University	36,460

Source: Association of Independent Colleges & Universities of Pennsylvania 2013-14 Tuition and Fee Survey; College/University Websites

Accounting Matters

Widener University's financial statements are prepared on the accrual basis of accounting. The University's financial statements have also been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. GAAP requires that resources be classified for accounting and reporting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions.

The report of CliftonLarsonAllen LLP, the University's independent auditors, together with the University's financial statements as of June 30, 2013 and for the year then ended, and the related notes to financial statements appear in Appendix B of this Official Statement.

The University changed independent auditors for the year ended June 30, 2013. CliftonLarsonAllen LLP was appointed as the independent auditor for the fiscal year ended June 30, 2013. The auditor change was the result of a routine competitive bidding process and is not indicative of any disagreements related to auditing or accounting matters between the University and its prior independent auditor, KPMG LLP.

The University's financial statements for its fiscal years ended June 30, 2012 and 2011 are attached as Appendix B to the official statement for the Authority's Revenue Bonds, Series 2013 (Widener University), dated August 15, 2013 (the "August 2013 Official Statement"). The August 2013 Official Statement is available through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") at http://emma.msrb.org/SecurityView/SecurityDetails.aspx?cusip=AA481342398E88D4A988216 09DE6BEE47. No auditor has performed any procedures with respect to such financial statement information in connection with the issuance of the 2014 Bonds.

The Widener Partnership Charter School, Inc. is a separate 501(c)(3) non-profit corporation and has separate financial statements that are not consolidated with the University's financial statements.

The following summary of financial information for the five years ended June 30, 2010 through June 30, 2014 has been derived from the University's audited financial statements for 2010 through 2013 and the University's unaudited results for 2014. Refer to "Management Discussion" later in this Appendix A for a more detailed explanation of the financial condition of the University.

Widener University
Statements of Financial Position
(000's)

	2010	2011	2012	2013	Unaudited 2014
Assets					
Cash and cash equivalents	$ 39,780	$ 40,771	$ 33,558	$ 28,386	$ 33,044
Accounts receivable	7,561	6,731	7,980	5,711	6,075
Prepaid expenses and other assets	3,535	3,613	3,305	3,429	2,825
Contributions receivable (net of allowance for doubtful accounts)	6,808	7,740	8,503	7,261	8,023
Investments	67,803	85,456	79,611	87,867	104,893
Loans to students (net of allowance for doubtful accounts)	13,253	13,887	13,767	13,695	13,312
Net property, plant and equipment	164,619	171,990	183,801	192,876	193,774
Total assets	$ 303,359	$ 330,188	$ 330,525	$ 339,225	$ 361,946
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ 11,360	$ 14,805	$ 13,281	$ 17,939	$ 13,452
Deferred revenue and deposits	4,059	4,981	5,923	6,215	6,131
Accrued postemployment benefit obligation	32,158	37,995	50,568	47,766	48,566
Bonds, Mortgages and other debt obligations	90,540	87,271	86,587	84,789	93,602
U.S. government grants refundable	8,054	7,936	7,482	7,301	7,143
Total liabilities	146,171	152,988	163,841	164,010	168,894
Net assets:					
Unrestricted	118,538	129,791	118,440	122,047	132,754
Temporarily restricted	7,422	12,783	12,141	15,050	20,786
Permanently restricted	31,228	34,626	36,103	38,118	39,512
Total net assets	157,188	177,200	166,684	175,215	193,052
Total liabilities and net assets	$ 303,359	$ 330,188	$ 330,525	$ 339,225	$ 361,946

Widener University
Statements of Activities
(000's)

Changes in unrestricted net assets:	**2010**	**2011**	**2012**	**2013**	**Unaudited 2014**
Operating activities:					
Revenues and gains:					
Net tuition and fees	$ 119,567	$ 122,635	$ 123,235	$ 121,231	$ 118,408
Federal and state grants and contracts	3,576	2,533	2,221	2,702	5,199
Contributions	1,594	1,559	1,329	1,238	1,573
Investment income	3,343	3,175	3,269	3,290	3,423
Miscellaneous income	1,998	2,050	2,266	2,538	2,441
Auxiliary enterprises	19,531	20,215	21,163	20,862	21,399
Unrestricted revenues and gains	149,609	152,167	153,483	151,861	152,443
Net assets released from restrictions	2,506	3,010	3,088	3,260	4,117
Total unrestricted revenues and gains	152,115	155,177	156,571	155,121	156,560
Expenses:					
Educational and general expenses:					
Instructional	73,605	77,492	81,079	81,571	75,577
Research	497	593	163	225	247
Public service	864	717	412	459	336
Academic support	17,161	17,796	17,050	17,033	16,254
Student services	15,460	15,796	16,105	16,224	15,906
Institutional support	19,326	17,150	19,881	18,275	21,065
Auxiliary enterprises	18,494	18,674	19,230	19,802	20,809
Total expenses	145,407	148,218	153,920	153,589	150,194
Total operating income	6,708	6,959	2,651	1,532	6,366
Nonoperating activities:					
Net appreciation (depreciation) in fair value of investments	2,219	7,626	(4,720)	3,016	4,006
Net change in postretirement benefit obligations	(4,042)	(2,925)	(9,267)	8,186	2,229
Voluntary retirement program	-	-	-	(8,914)	-
Loss on extinguishment of debt	-	-	-	-	(1,893)
Loss on disposition of property	(41)	(407)	(15)	(213)	-
Total nonoperating (loss) income	(1,864)	4,294	(14,002)	2,075	4,342
Total change in unrestricted net assets	4,844	11,253	(11,351)	3,607	10,708
Change in temporarily restricted net assets	1,007	5,361	(642)	2,909	5,735
Change in permanently restricted net assets:	1,036	3,398	1,477	2,015	1,394
Change in total net assets	6,887	20,012	(10,516)	8,531	17,837
Net assets at beginning of year	150,301	157,188	177,200	166,684	175,215
Net assets at end of year	$ 157,188	$ 177,200	$ 166,684	$ 175,215	$ 193,052

WIDENER UNIVERSITY
Statement of Cash Flows
(000's omitted)

	2010	2011	2012	2013	Unaudited 2014
Cash Flows from operating activities:					
Change in total net assets	$ 6,887	$20,012	$(10,516)	$ 8,531	$ 17,837
Adjustments to reconcile change in total net assets to net cash provided by operating activities:					
Depreciation and amortization	10,317	10,163	10,409	10,823	10,961
Net (appreciation) depreciation in fair value of investments	(2,129)	(8,036)	3,055	(4,650)	(8,102)
Change in fair value of swap liability	(378)	(1,996)	(174)	(234)	(234)
Contributions restricted for long term investment	(1,028)	(4,119)	(1,460)	(2,006)	(1,384)
Changes in assets and liabilities:					
Accounts Receivable (gross)	(2,814)	922	(1,157)	2,356	382
Allowance for Doubtful accounts		(92)	(92)	(86)	(746)
Contributions receivable	(256)	(932)	(763)	1,241	(762)
Prepaid expenses and other assets	(638)	(109)	277	(155)	647
Accounts Payable and accrued expenses, net of investing activities	(867)	627	(3,040)	3,929	(4,272)
Accrued interest	(26)	(26)	(24)	(25)	(101)
Deferred revenue and deposits	(291)	922	942	292	(84)
Asset Retirement Obligation	388	299	134	148	(114)
Post retirement benefit obligation	6,220	5,837	12,573	(2,802)	800
Net Cash provided by operating activities	15,385	23,472	10,164	17,362	14,828
Cash flows from investing activities:					
Net increase in loans to students	(575)	(634)	121	72	383
Purchase of property, plant and equipment	(8,188)	(17,504)	(19,917)	(19,260)	(11,842)
Proceeds from sales of investments	45,215	15,478	16,680	4,640	15,125
Purchases of investments	(44,648)	(25,095)	(13,890)	(8,247)	(24,049)
Net Cash used in investing activities	(8,196)	(27,755)	(17,006)	(22,795)	(20,383)
Cash flows from financing activities:					
Proceeds from contributions restricted for long- term investment	943	4,119	1,460	2,006	1,384
Payments under capital leases	-	-	(41)	(184)	275
Proceeds from issuance of bonds	-	-	-	-	10,151
Accounts Payable for capital projects	-	2,546	-	-	-
Repayment of Bonds payable	(1,197)	(1,251)	(1,311)	(1,361)	(1,415)
Repayments of notes payable	(21)	(22)	(25)	(20)	(24)
Net change in U.S. government grants refundable	(339)	(118)	(454)	(180)	(158)
Net Cash provided by (used in) financing activities	(614)	5,274	(371)	261	10,213
Net (decrease) in cash and cash equivalents	6,575	991	(7,213)	(5,172)	4,658
Cash and cash equivalents, beginning of year	33,205	39,780	40,771	33,558	28,386
Cash and cash equivalents, end of year	$ 39,780	$40,771	$ 33,558	$ 28,386	$ 33,044
Supplemental Disclosure:					
Cash paid for interest expense	$ 4,313	$ 4,153	$ 4,094	$ 4,038	$ 3,733
Noncash transactions:					
Equipment financed with capital leases			866	-	465
Accounts Payable for capital projects			1,406	607	709

Historic Operating Results

The following table provides a summary of the University's unrestricted operating surplus available for debt service for the University's fiscal years ended June 30, 2010 through 2014 (000's omitted).

	2010	**2011**	**2012**	**2013**	**Unaudited 2014**
Unrestricted operating revenue	$152,115	$155,177	$156,571	$155,121	$156,560
Unrestricted operating expenditures	145,407	148,218	153,920	153,589	150,194
Net Revenues	6,708	6,959	2,651	1,532	6,366
Depreciation	10,262	10,370	10,522	10,949	10,890
Interest	4,247	4,168	4,052	4,019	3,935
Unrestricted operating surplus available for debt service	$21,217	$21,497	$17,225	$16,500	$21,191
Maximum Annual Debt Service on Bonds Outstanding	$5,381	$5,381	$5,381	$5,381	$6,535
Debt Service Coverage Ratio	3.94x	3.99x	3.20x	3.07x	3.24x
Certain operating metrics:					
FTE Students	5,379	5,420	5,350	5,186	5,153
New Tuition & Fees per FTE Student	$22.11	$22.63	$23.04	$23.38	$23.00

Expendable Net Assets

The University's assets less its liabilities are recorded as the University's net assets in its financial statements. By the nature of restrictions placed on some of the funds by donors, certain net assets are expendable while others cannot be expended. The following table (000's omitted) reflects the University's total net assets and expendable net assets as of June 30 for fiscal years 2010 to 2014 in thousands of dollars.

	2010	2011	2012	2013	Unaudited 2014
Total Net Assets	$157,188	$177,200	$166,684	$175,215	$193,052
Less: Permanently Restricted Net Assets	(31,228)	(34,626)	(36,103)	(38,118)	(39,512)
Less: Net Investment in plant	(88,469)	(97,113)	(109,412)	(120,052)	(119,161)
Expendable Net Assets [1]	$37,491	$45,461	$21,169	$17,045	$34,379

[1] Expendable Net Assets includes Temporarily Restricted Net Assets and Unrestricted Net Assets less Property, Plant and Equipment net of allocable depreciation and net of allocable debt. In 2012 and 2013, the University internally funded the construction of a new Nursing building and a new Communications Studies, Informatics and Computer Science building. Both of these facilities are projected to enhance future enrollment in these programs. Using internal funds for these projects caused Expendable Net Assets to decline in Fiscal Years 2012 and 2013.

Pennsylvania law provides that a portion of the investment return (up to 7%) on permanent endowment assets that is otherwise not restricted may be added to Unrestricted Net Assets each year. To the extent that the actual investment return allocable to such permanent endowment assets exceeds the amount allocated to Unrestricted Net Assets in any year, such excess investment return is allocated to Temporarily Restricted Net Assets in such year and held until a future fiscal year when such funds can be allocated to Unrestricted Net Assets in accordance with Pennsylvania law.

Endowment

Included in the University's net assets, the market value of the University's endowment for the fiscal years ended June 30, 2010 through June 30, 2014 is summarized in the table below (000's omitted). While the University can utilize unrestricted endowment assets, if necessary, for operating expenditures at the discretion of the Board, the assets contributed to the University as permanently restricted endowment cannot be so utilized.

	2010	2011	2012	2013	Unaudited 2014
Unrestricted	$33,246	$44,715	$39,682	$41,862	$45,995
Temporary Restricted	3,259	6,312	4,189	6,789	11,296
Permanently Restricted	31,228	34,626	36,103	38,118	39,512
Total Endowment Funds	$67,733	$85,653	$79,974	$86,769	$96,803

The oversight of the University's endowment investment rests with the Finance & Administration Committee of the Board of Trustees. The Finance & Investment Committee employs Commonfund in a comprehensive manner to manage and advise on investment activity. The University's endowment investment asset allocation as of June 30, 2014 was as follows:

	Allocation	
Asset Class	**Actual**	**Target**
Fixed Income	11.0 %	10.0%
Equity	62.2 %	57.0%
Alternative, hedge & limited partnerships	26.8 %	33.0%

The University rebalances its portfolio on a monthly basis to achieve these allocation targets.

Endowment Spending Policy. It is the University's policy to distribute annually between 2 and 7 percent of a three-year moving average of the endowment's market value for restricted assets and an approved percentage of the board designated funds, with the understanding that this spending rate plus inflation will not normally exceed total real return (net of inflation) from investments. The historical spending rate has been 5.0%, but was increased by an additional 1.0% since 2009 to cover the cost of the comprehensive fundraising campaign. The spending rate in the 2014 fiscal year was 6.0%. The campaign is expected to conclude in December 2014, after which the spending rate will be reduced to a maximum of 5.0%.

Endowment Investment Policy. The University has established a balanced investment policy for its endowment. The objective is to produce an average total annual return that exceeds the spending rate plus inflation. The intent of this objective is to preserve over time the principal value of the assets as measured in real, inflation adjusted terms. The policy establishes appropriate risk and return objectives in light of the University's risk tolerance and investment time horizon.

The Finance & Administration Committee of the Board of Trustees, with the help of Commonfund, oversees the endowment fund. It meets periodically to discuss performance with the investment manager and to assess risk levels in light of the University's stated investment policies and objectives. The Committee has established asset allocation targets and ranges for the investment manager to ensure diversification both by asset class and within asset classes.

Management Discussion

Despite a slumping national economy over the last five years, the University's total net assets increased from $157.2 million at the end of the 2010 fiscal year to an estimated $193.0 million at the end of the 2014 fiscal year. In addition, the University has consistently produced unrestricted operating gains through 2014 (change in unrestricted net assets from operating activities) and the operating net income in 2010 and 2011 were the two largest operating gains ($6.7 million in 2010 and $7.0 million in 2011) in the last fourteen years. The operating gains in those years were the result of net tuition revenue growth, higher auxiliary income, and expense savings as a result of strong management oversight. Operating income rebounded from $1.5 million in 2013 to a projected $6.3 million in 2014.

The 2013 operating income ($1.5 million) reflected the effect of the national law school application decline on Widener's law school and the effect ($2.1 million) of a lower discount rate on the post-retirement medical liability (5.80% to 4.30%). In order to counteract these negative events, management proactively decreased salary and operating expenses by $7.8 million in 2013 through the deferral of open positions, operating expense reductions, position redeployment and other salary reductions. In order to further reduce expenses at the law school and reallocate undergraduate/graduate resources, the University also introduced a voluntary retirement plan for certain tenured faculty members and a voluntary separation plan for non-retirement-eligible law school faculty. Thirty-eight faculty accepted one of the plans, at a cost of $8.9 million in 2013 but which generated $6.0 million of savings. $1.4 million of the savings was used to strengthen growing undergraduate/graduate programs, such as nursing and engineering, on the Main Campus. As a result, the University realized $4.6 million of savings from the voluntary retirement plan in fiscal year 2014, as well as an additional $1.3 million in operating expense reductions.

Despite a challenging 2012 and 2013, the University proactively and decisively took action to deal with the SOL enrollment decline. In those two years, the University reduced salary and operating expenses by $13.7 million and reallocated resources to growing programs. These decisions positioned the University to take advantage of strong program demand.

With the largest freshman class in the University's history, the benefit of $5.9 million in expense reductions and higher grant income, the University is anticipating an increase in net operating income from $1.5 million in 2013 to $6.3 million for the 2014 fiscal year.

Undergraduate demand continues to be strong and has grown steadily over the last five years. The University matriculated the largest freshmen class (827) in its history in fall 2013 (fiscal 2014) as applications increased 12.3% over the previous year. The fall 2013 class was also the most academically prepared class as the average SAT increased from 1019 in fall 2012 to 1027 in fall 2013, and the average high school GPA increased from 3.37 to 3.40. Also, as a result of tighter admissions standards and retention initiatives, the freshmen-to-sophomore retention rate was 75% for the fall 2012 class, which compares to 71% for the fall 2011 class. The fall 2013 freshmen class is projected to have a retention rate of approximately 76%. As a result of the larger freshmen class and the better retention, the undergraduate FTE increased from 2,794 in fall 2012 to 2,941 in fall 2013.

While the law school enrollment declined dramatically in fiscal year 2012 as a result of fewer LSAT-takers and a decline in law school applications nationally, the decline in the fall 2013 class was much smaller, with first year students declining from 331 students to 316 in fiscal year 2014. The other graduate programs continue to be in demand, with 750 applications for 50 seats in the physical therapy program and 321 applications for 39 seats in the clinical psychology program.

For the 2015 fiscal year, fall 2014 undergraduate applications are slightly above the prior year, and the University is on track to meet its target of 750 freshmen with an improved academic profile. Non-law graduate programs continue to be in strong demand, led by the highly selective clinical psychology and physical therapy doctoral programs. The undergraduate and non-law graduate programs are projected to generate approximately $5.0 million in operating income in

2015. As a result of a lower enrollment projection and the investment required to attain separate accreditation for the two law school campuses (described in the section titled "Colleges, Schools and Academic Programs – The Widener University School of Law"), a deficit is projected for the SOL in 2015. Overall, the projected operating income for fiscal year 2015 is a $1.0 million deficit. Although it is anticipated that it will take 2-3 years to right-size the cost structure of the SOL with the enrollment and to realize the synergies expected from separate accreditation of the campuses, the University expects to have positive operating earnings in 2016 based on the strength of the undergraduate and non-law graduate programs.

As noted in the "Locations and Facilities" section, the University has invested approximately $158.0 million in capital investments over the last 11 years, most of which has been generated by operating cash flow. Operating cash flow has ranged from $10.2 million to $17.4 million in the 2010-2014 period. Cash balances have grown from $23.9 million in 2007 to $40.8 million in 2012. The University then internally funded the construction of a new nursing building (Founders Hall) and a new communications studies, informatics and computer science building (Freedom Hall) as an investment in two programs expected to enhance undergraduate enrollment in the future. The new residence hall is being funded by $10.0 million from the 2013 bonds and $8.0 million from cash on hand. The University intends to increase the cash balance over the next few years.

Budget Process

The University employs a two-phase budgeting process, with a preliminary budget approved by the Board in May of the year preceding the budget year, and a final budget approved by the Board in October once the enrollment is known. The Board has mandated that the University maintain a balanced operating budget (including some contingency expense), and the budget has been balanced for over forty consecutive years. The budget is prepared on a FASB basis, including 100% of depreciation. Oversight of the budget is assigned to the Finance & Administration Committee of the Board, with actual duties assigned to a budget committee consisting of the President and the other senior officers of the University.

Fundraising

Widener University is in the largest comprehensive campaign in its history — *Taking the Lead – The Campaign for Widener*, which began in 2008 and will continue until December, 2014. The goal is $58 million, and as of June 30, 2014, $60.9 million in cash and pledges has been raised, more than 100% of the goal. $33.1 million has been collected as of June 30, 2014. The University recorded its largest gift in history in 2009 with a $5 million pledge from the family of David and JoEllen Oskin to establish the Oskin Leadership Institute on campus. In addition, the Law School received a historic gift of $1.2 million to establish The Taishoff Advocacy, Technology and Public Service Institute. Gifts and pledges to the endowment total nearly $21 million to date, well on the way to reaching the goal of $26 million for endowed funds. There are a total of $2.3 million signed and recorded planned gifts for the campaign. Widener received capital grants from the Commonwealth of Pennsylvania in support of a renovation and addition to Old Main and for Founders Hall, the new School of Nursing building. These capital grants totaled $2.2 million for both projects. In addition, a grant of $3 million was received from the Commonwealth of Pennsylvania for Freedom Hall, the new communication studies/computer science/informatics academic building, which opened in August 2013. A gift of $1.16 million has been received to construct the Bown Dome Sculpture Garden, which greatly enhances the entrance to Old Main, the most historic and well-known building on campus.

Long-Term Indebtedness

At July 1, 2014, the University's total outstanding long-term indebtedness was $85,990,000, consisting of $21,135,000 outstanding 2005 Bonds (which will be refunded if the 2014 Bonds are issued), and $11,980,000 outstanding 2013 Bonds, and $52,875,000 outstanding 2013A Bonds. The following table sets forth the University's projected fiscal year debt service requirements after the issuance of the 2014 Bonds.

Fiscal Year	Debt Service on Outstanding Bond Indebtedness[1]	2014 Bonds Principal	2014 Bonds Interest	2014 Bonds Total	Total Bond Debt Service Obligations
2015	$ 4,383,994		$ 287,228	$ 287,228	$ 4,671,222
2016	4,282,538	$ 620,000	827,688	1,447,688	5,730,225
2017	4,564,038	530,000	813,538	1,343,538	5,907,575
2018	4,556,538	550,000	794,588	1,344,588	5,901,125
2019	4,559,788	565,000	769,463	1,334,463	5,894,250
2020	4,559,538	590,000	749,438	1,339,438	5,898,975
2021	4,555,788	610,000	728,288	1,338,288	5,894,075
2022	4,558,288	635,000	700,338	1,335,338	5,893,625
2023	4,560,238	660,000	671,138	1,331,138	5,891,375
2024	4,558,438	685,000	640,938	1,325,938	5,884,375
2025	4,561,156	710,000	613,038	1,323,038	5,884,194
2026	4,635,138	655,000	585,738	1,240,738	5,875,875
2027	4,559,875	760,000	557,438	1,317,438	5,877,313
2028	4,556,069	785,000	526,538	1,311,538	5,867,606
2029	4,561,356	810,000	494,638	1,304,638	5,865,994
2030	4,558,425	840,000	461,638	1,301,638	5,860,063
2031	4,557,425	875,000	427,338	1,302,338	5,859,763
2032	4,561,781	900,000	391,838	1,291,838	5,853,619
2033	4,560,819	935,000	350,463	1,285,463	5,846,281
2034	4,557,375	980,000	306,875	1,286,875	5,844,250
2035	5,145,463	1,010,000	265,831	1,275,831	6,421,294
2036	5,143,250	1,055,000	218,625	1,273,625	6,416,875
2037	5,144,350	1,105,000	164,625	1,269,625	6,413,975
2038	4,972,888	1,335,000	103,625	1,438,625	6,411,513
2039	4,958,863	1,405,000	35,125	1,440,125	6,398,988
2040	1,246,963				1,246,963
2041	2,175,738				2,175,738
2042	2,179,125				2,179,125
2043	2,176,738				2,176,738
2044	2,178,300				2,178,300
Total[2]	$ 126,130,275	$ 19,605,000	$ 12,486,009	$ 32,091,009	$ 158,221,284

1.Excludes debt service on the to-be-refunded 2005 Bonds.

2. Columns may not total due to rounding.

In 2007, the University entered into a basis swap transaction with Wells Fargo Bank, N.A. The agreement took effect May 25, 2007 and continues until July 2039. Under the terms of the agreement, the University pays a floating rate of interest equal to the Securities Industry and Financial Markets Association (SIFMA) Index and receives a floating rate equal to 67% of one-month LIBOR. As of June 30, 2014, the mark-to-market of the basis swap was a liability of $6.4 million for the University. See Note 8 in the Notes to Financial Statements in Appendix B for a more detailed explanation.

Since 1997, the University has also guaranteed, on a joint and several basis with another entity, certain loans to finance the building of the University Technology Park, Inc. These loans amount to approximately $2.8 million as of June 30, 2014, of which the University has guaranteed $1.4 million of these loans.

Property/Liability Insurance

The University carries a comprehensive program of property/liability coverage. The program includes coverage for building and contents, including those under construction, against losses resulting from fire and perils, with extended coverage that provides for repair or replacement without deduction for depreciation. The University also maintains business interruption insurance, excess liability coverage, and directors and officers liability insurance. In addition, the University retains the services of risk management consultants to eliminate and minimize risk exposures on campus.

Future Capital Plans

The University regularly invests in maintaining, updating and expanding its capital facilities to meet its needs. The University normally spends approximately $5-6 million annually on capital expenditures. Capital expenditures of the University generally are funded from available resources of the University. Internal funds have been used occasionally for new construction, most notably Founders Hall (nursing), Freedom Hall (communication studies, informatics and computer sciences), and the new residence hall.

The University intends to use $10 million of proceeds from the 2013 Bonds issued in August 2013 to finance a portion of the costs of the construction of a new residence hall on the Main Campus that is expected to be completed in August 2015. The remaining cost will be funded from the University's cash reserves and fundraising efforts. The new residence hall is needed due to the strong undergraduate demand for housing. For the 2013-14 academic year, the University did not have enough housing to meet demand and leased a floor of rooms from a nearby hotel.

Litigation

The University, like other similar institutions, is subject to a variety of suits and proceedings arising in the ordinary course of business. In the opinion of the management of the University, there is no litigation of any nature pending or threatened wherein an unfavorable decision would have a material adverse impact on the operations or the financial condition of the University.

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APPENDIX B

Widener University Audited Financial Statements for the
Year Ended June 30, 2013

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WIDENER UNIVERSITY

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

WIDENER UNIVERSITY
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YEAR ENDED JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Widener University
Chester, Pennsylvania

We have audited the accompanying financial statements of Widener University, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Widener University as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
September 25, 2013

WIDENER UNIVERSITY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013
(DOLLARS IN THOUSANDS)

ASSETS		
Cash and Cash Equivalents	$	28,386
Accounts Receivable		
Students (Net of Allowance for Doubtful Accounts of $1,583)		2,912
Affiliates		556
Grants and Other		2,243
Prepaid Expenses and Other Assets		2,700
Contributions Receivable (Net of Allowance for Doubtful Accounts of $413)		7,261
Investments		
Assets Whose Use is Limited		5,381
Long-Term Investments		82,486
Total Investments		87,867
Loans to Students (Net of Allowance for Doubtful Accounts of $1,626)		13,695
Bond Issuance Costs, Net		729
Property, Plant and Equipment		345,904
Less Accumulated Depreciation		(153,028)
Net Property, Plant and Equipment		192,876
Total Assets	$	339,225
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	$	12,408
Accrued Interest		1,824
Deferred Revenue and Deposits		6,215
Asset Retirement Obligation		3,707
Accrued Postretirement Benefit Obligation		47,766
Notes Payable		132
Obligations Under Capital Leases		641
Swap Contract Liability		6,584
Bonds Payable		77,432
U.S. Government Grants Refundable		7,301
Total Liabilities		164,010
Net Assets:		
Unrestricted		122,047
Temporarily Restricted		15,050
Permanently Restricted		38,118
Total Net Assets		175,215
Total Net Assets and Liabilities	$	339,225

See accompanying Notes to Financial Statements.

WIDENER UNIVERSITY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013
(DOLLARS IN THOUSANDS)

CHANGES IN UNRESTRICTED NET ASSETS	
Operating Activities:	
Revenue, Gains, and Other Support:	
Tuition and Fees	$ 170,689
Less Scholarship and Fellowships	(49,458)
Net Tuition and Fees	121,231
Federal Grants and Contracts	1,443
State Grants and Contracts	1,259
Interest on Loans	241
Contributions	1,238
Investment Returns Designated for Current Operations:	
Endowment Spending	2,964
Other Investment Income	85
Miscellaneous Income	2,538
Auxiliary Enterprises	20,862
Unrestricted Revenues and Gains	151,861
NET ASSETS RELEASED FROM RESTRICTIONS	3,260
Total Unrestricted Revenues and Gains	155,121
EXPENSES	
Educational and General Expenses	
Instructional	81,571
Research	225
Public Service	459
Academic Support	17,033
Student Services	16,224
Institutional Support	18,275
Auxiliary Enterprises	19,802
Total Expenses	153,589
Total Operating Income	1,532
NONOPERATING ACTIVITIES	
Net Appreciation in Fair Value of Investments	2,782
Net Change in Swap Liability	234
Loss on Disposition of Property	(213)
Net Change in Postretirement Benefit Obligation	8,186
Voluntary Retirement Program Expense	(8,914)
Total Nonoperating Income	2,075
TOTAL CHANGE IN UNRESTRICTED NET ASSETS	3,607
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS	
Private Gifts, Grants and Contracts	2,725
Endowment Spending	877
Miscellaneous Income	108
Investment Returns More Than Amounts Designated for Operations	2,459
Net Assets Released From Restrictions	(3,260)
Change in Temporarily Restricted Net Assets	2,909
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS	
Private Gifts, Grants and Contracts	2,006
Endowment Spending	9
Changes in Permanently Restricted Net Assets	2,015
CHANGE IN NET ASSETS	8,531
Net Assets - Beginning of Year	166,684
NET ASSETS - END OF YEAR	$ 175,215

See accompanying Notes to Financial Statements.

WIDENER UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2013
(DOLLARS IN THOUSANDS)

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$	8,531
Adjustments to Reconcile Change in Net Assets to Net		
Cash Provided by Operating Activities:		
Depreciation and Amortization		10,823
Net Appreciation in Fair Value of Investments		(4,650)
Change in Fair Value of Swap Liability		(234)
Contributions Restricted for Long-Term Investment		(2,006)
Changes in Assets and Liabilities		
Accounts Receivable (Gross)		2,356
Allowance for Doubtful Accounts		(86)
Contributions Receivable		1,241
Prepaid Expenses and Other Assets		(155)
Accounts Payable and Accrued Expenses, Net of Investing Activities		3,929
Accrued Interest		(25)
Deferred Revenue and Deposits		292
Asset Retirement Obligation		148
Postretirement Benefit Obligation		(2,802)
Net Cash Provided by Operating Activities		17,362
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Decrease in Loans to Students		72
Purchase of Property, Plant and Equipment		(19,260)
Proceeds from Sales of Investments		4,640
Purchases of Investments		(8,247)
Net Cash Used by Investing Activities		(22,795)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Long-Term Investment		2,006
Payments Under Capital Leases		(184)
Repayments on Bonds Payable		(1,361)
Repayment of Notes Payable		(20)
Net Change in U.S. Government Grants Refundable		(180)
Net Cash Provided by Financing Activities		261
NET DECREASE IN CASH AND CASH EQUIVALENTS		(5,172)
Cash and Cash Equivalents - Beginning of Year		33,558
CASH AND CASH EQUIVALENTS - END OF YEAR	$	28,386
SUPPLEMENTAL DISCLOSURE		
Cash Paid for Interest Expense	$	4,038
NONCASH TRANSACTIONS		
Accounts Payable for Capital Projects	$	607

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Operations

Founded in Wilmington, Delaware, in 1821, Widener University (the University) comprises eight schools and colleges that offer liberal arts and sciences, professional, and preprofessional curricula. A metropolitan teaching institution, the University is a four-campus university offering 147 programs of study leading to one of 62 associate, bachelors, masters, or doctoral degrees. The University's schools include the College of Arts and Sciences, School of Engineering, School of Hospitality Management, School of Human Service Professions, School of Law, School of Business Administration, School of Nursing, and University College.

The University is incorporated in both the Commonwealth of Pennsylvania and the State of Delaware. The University is a private, not-for-profit institution of higher education with campuses in Chester, Pennsylvania; Harrisburg, Pennsylvania; Exton, Pennsylvania; and Wilmington, Delaware. The financial statements of the University have been prepared on the accrual basis of accounting. The significant accounting policies followed by the University are described below to enhance the usefulness of the financial statements for the reader.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the University or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that the assets be maintained permanently by the University. Generally, the donors of these assets permit the University to use all of, or part of, the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The University allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be readily identified with a specific program or supporting service are allocated directly. Other expenses that are common to several functions are allocated by various statistical bases.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions received is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class.

Contributions made toward long-lived assets are held as temporarily restricted until the asset is placed in service. At such time, the contribution is considered to be released from restriction and reclassified to unrestricted net assets.

Income and realized and unrealized net gains on investments of endowment and similar funds are reported as follows:

(1) As increases in permanently restricted net assets if the terms of the gift or the University interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;

(2) As increases in temporarily restricted net assets based upon relevant state law or if the terms of the gift impose restrictions on the use of the income; or

(3) As increases in unrestricted net assets in all other cases.

Commonwealth of Pennsylvania law permits the University to allocate to income each year a portion of endowment net realized gains under an endowment spending policy, limited to 7% of the trailing three-year average of the market value of the endowment assets. Since endowment net realized and unrealized gains may eventually be spent by the University, endowment net realized and unrealized gains are recorded in the financial statements as temporarily restricted net assets until transferred to unrestricted net assets.

Nonoperating Activities

Nonoperating activities reflect transactions of a long-term investment or capital nature, including investment returns net of the amount the University has appropriated for current operational support in accordance with the University's endowment spending guidelines, changes in interest rate swap valuation, changes in the postretirement benefit obligation, voluntary retirement program expense and other transactions that are not accounted for as part of ongoing budgeted operations.

Cash and Cash Equivalents

Cash equivalents include all highly liquid interest-bearing deposits with maturities of three months or less at time of purchase, except those held for long-term investment purposes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are stated at fair market value as provided by external investment managers or quoted market values. Investments acquired by gift are recorded at the fair value on the date the gift was received. Cost of investments sold is determined on the first-in, first-out method, and investment transactions are recognized on the settlement date.

Valuations for private debt and equity funds and other alternative investments are based on valuations provided by external investment managers or on audited financial statements when available. Valuations provided by external investment managers include estimates, appraisals, assumptions, and methods that are reviewed by management.

The University generally uses net asset value per share as reported by investment managers as the practical expedient estimate of fair value without further adjustment for its investments in alternative investment funds for which there is no readily determinable market value.

Accounts Receivable

Accounts receivable include student accounts receivable, affiliate receivables, grants and other receivables. Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is recorded annually based on historical experience and management's evaluation of individual accounts. Bad debts are written off when deemed uncollectible. Receivables are generally unsecured.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost, net of depreciation, except for gifts of physical properties, which are recorded at their appraised value when received. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets: buildings, 50 years; building improvements, 15 years; equipment, 7 years; and personal computers, 4 years.

Art Collection

The University houses a collection of American paintings and the Alfred O. Deshong Collection of European paintings and Oriental art objects at the Widener University Art Collection and Gallery that it does not capitalize. These collections adhere to the University's policy to (a) maintain them for public exhibition, education, or research; and (b) protect, keep unencumbered, care for, and preserve them.

Deferred Revenue

Deferred revenue primarily consists of prepaid tuition, fees, and contract advances. Such amounts will be recognized as revenue as they are earned.

U.S. Government Grants Refundable

Funds provided by the U.S. government under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collections. These funds are ultimately refundable to the U.S. government and are presented in the accompanying statements of financial position as a liability.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Retirement Obligation

The University recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred, if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the University capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the statements of activities.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date and requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Classification in Level 2 or Level 3 is based on the University's ability to redeem its interest at net asset value at or near the date of the statement of financial position. If the interest can be redeemed in the near term, the investment is classified in Level 2.

The fair value of the University's interest rate swap related to its debt obligations (Note 8) is based on the counterparty's valuation, which used observable inputs other than Level 1 prices.

The carrying amount of cash, student accounts receivable and other receivables, and accounts payable and accrued expenses approximates fair value because of the short maturity of these financial instruments. The fair value of investments in debt and equity securities is based upon values provided by the external investment managers or quoted market values.

The University values contributions receivable at fair value on the date the gift is received using the present value of future cash flows. Contributions receivable are not measured at fair value subsequent to this initial measurement because the discount rate is selected to remain constant over time rather than adjust to reflect changing financial conditions.

(DOLLARS IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A reasonable estimate of the fair value of loans to students under government loan programs could not be made because the loans are not saleable and can only be assigned to the U.S. government or its designees. The fair value of loans to students under the University loan programs approximates carrying value.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Federal Income Taxes

The University has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code. As such, it is subject to tax only on income from activities unrelated to its tax-exempt mission. For the years ended June 30, 2012 and 2011, the University generated no significant unrelated business income subject to tax, and no provision for income taxes was provided. The University believes it has taken no significant uncertain tax positions. The University's federal and state tax returns for the years ended June 30, 2010, 2011 and 2012 are open for review by Federal and State authorities.

NOTE 2 CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows at June 30, 2013:

Unconditional Promised Expected to be Collected:		
Within One Year	$	1,305
Between One and Five Years		6,401
After Five Years		507
		8,213
Less:		
Allowance for Uncollectible Contributions Receivable		(539)
Present Value Discount (1.2% - 3.2%)		(413)
	$	7,261

One donor represents 49% of contributions receivable as of June 30, 2013.

Development costs were $2,879 for the year ended June 30, 2013.

(DOLLARS IN THOUSANDS)

NOTE 3 INVESTMENTS

The University records investments at fair value. Long-term investments are comprised primarily of the endowment fund, which has a fair value of $80,514 as of June 30, 2013 and are invested through a fund manager.

The fair value of investments whose use is limited under the bond indentures amounted to $5,381 as of June 30, 2013. The fair value is determined using a Level 1 input of the fair value hierarchy.

The University has an investment in University Technology Park, Inc., which is recorded at a cost of $1,105 as of June 30, 2013.

Investments that are recorded at fair value at June 30, 2013 are summarized as follows:

Equity Funds	$ 62,777
Commodities	3,392
Venture Capital	1,669
Natural Resources	2,109
Fixed Income	10,599
Real Estate	27
Money Market Funds	5,381
Other	808
	$ 86,762

Investment fees were $121 for the year ended June 30, 2013.

The following tables present the University's fair value hierarchy for assets and liabilities measured at fair value on a recurring basis:

	Fair Value	Fair Value Measurements at June 30, 2013 Using		
		Level 1	Level 2	Level 3
Commonfund Investments	$ 80,514	$ 535	$ 74,013	$ 5,966
Other Investments	6,248	6,248	-	-
Swap Contract	(6,584)	-	(6,584)	-

(DOLLARS IN THOUSANDS)

NOTE 3 INVESTMENTS (CONTINUED)

The University's major categories of Level 2 investments held at June 30, 2013, their significant investment strategies, and the conditions upon which the University may redeem its investment for each major category are summarized below:

Level 2 Investment Category	Investment Strategy	Redemption Terms
Multi-Strategy Equity Fund	Equity	Monthly, with 5 Days Prior Notice
Core Equity Fund	Equity	Monthly, with 5 Days Prior Notice
CFI All Cap Fund	Equity	Monthly, with 5 Days Prior Notice
Strategic Solutions Equity Fund, LLC	Equity	Monthly, with 5 Days Prior Notice
International Equity Fund	Equity	Monthly, with 5 Days Prior Notice
Emerging Markets Investors Co. B	Equity	Monthly, with 5 Days Prior Notice
High Quality Bond Fund	Fixed	Weekly, with 5 Days Prior Notice
CFI Global Bond Fund, LLC	Fixed	Monthly, with 5 Days Prior Notice
CFI Multi-Strategy Commodities	Real Assets	Monthly, with 30 Days Prior Notice
CFI Real Return Bond Fund	Real Assets	Monthly, with 5 Days Prior Notice
SSG Global Hedged Equity	Directional & Relative Value	Quarterly, with 95 Days Prior Notice
SSG Diversifying Company	Directional & Relative Value	Quarterly, with 95 Days Prior Notice
SSG Relative Value & Event Driven	Directional & Relative Value	Quarterly, with 95 Days Prior Notice

The following table presents the changes in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2013:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Alternative Investments		Total
Investment Type	Equity	Real Assets	Investments
Balance at June 30, 2012	$ 3,778	$ 1,973	$ 5,751
Acquisitions	383	508	891
Dispositions	(521)	(603)	(1,124)
Realized Gain (Loss)	270	(1,918)	(1,648)
Unrealized Gain (Loss)	(80)	2,176	2,096
Balance at June 30, 2013	$ 3,830	$ 2,136	$ 5,966

NOTE 3 INVESTMENTS (CONTINUED)

The University has $5,966 of investments in alternative investment funds which are reported at estimated fair value. The unobservable inputs used to determine the fair value of these investments have been estimated based on the net asset value per share as provided by the investment managers as the practical expedient estimate of fair value of the investment without further adjustment. All of those investments are redeemable with the fund at net asset value under the original terms of the partnership agreements and/or subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the University's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the University were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

The University is not aware of any fund-specific secondary market information available for its alternative investment funds.

The University's major categories of alternative investments and their significant investment strategies held at June 30, 2013 include:

Alternative Investment Category	Investment Strategy
Multi-Strategy Global Hedged Partners	Event Driven, Diversifying
Private Equity Partners VI	Private Equity
Private Equity Partners VII	Private Equity
Int'l. Private Equity Partners V	International Equity
Int'l. Private Equity Partners VI	International Equity
Venture Partners VII	Venture
Venture Partners VIII	Venture
Venture Partners IX	Venture
Natural Resources Partners VII	Natural Resources
Natural Resources Partners VIII, LP	Natural Resources
Natural Resources Partners IX, LP	Natural Resources
Reality Investors	Real Estate

(DOLLARS IN THOUSANDS)

NOTE 3 INVESTMENTS (CONTINUED)

The University's best estimate of the remaining life of finite-lived investments, the amount of the University's unfunded commitments related to the investment at June 30, 2013, and the terms and conditions upon which the University may redeem its investment for each major category of alternative investments are summarized below:

Alternative Investment Category	Estimated Remaining Life	Unfunded Commitments at June 30, 2013	Redemption Terms
Multi-Strategy Global Hedged Partners	N/A	$ -	Annual, 12/31, with 90 Days Notice
Private Equity Partners VI	7	89	N/A
Private Equity Partners VII	9	182	N/A
International Private Equity Partners V	7	59	N/A
International Private Equity Partners VI	9	141	N/A
Venture Partners VII	7	69	N/A
Venture Partners VIII	9	150	N/A
Venture Partners IX	12	263	N/A
Natural Resources Partners VII	8	219	N/A
Natural Resources Partners VIII, LP	10	315	N/A
Natural Resources Partners IX, LP	13	4,343	N/A
Realty Investors	N/A	-	N/A
		$ 5,830	

(DOLLARS IN THOUSANDS)

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

At June 30, 2013, property, plant, and equipment were as follows:

Land	$	15,190
Buildings		
Cost of Buildings		174,835
Less Accumulated Depreciation		(59,724)
Net Cost of Buildings		115,111
Building Improvements		
Cost of Improvements		88,638
Less Accumulated Depreciation		(44,284)
Net Cost of Improvements		44,354
Furniture and Equipment		
Cost of Furniture and Equipment		50,785
Less Accumulated Depreciation		(44,667)
Net Cost of Furniture and Equipment		6,118
Computers		
Cost of Computers		5,988
Less Accumulated Depreciation		(4,353)
Net Cost of Computer Equipment		1,635
Construction in Progress		10,468
Net Property, Plant and Equipment	$	192,876

The University has asset retirement obligations arising from regulatory requirements to perform certain asset retirement activities at the time of disposal of certain capital assets. The liability was initially recorded at fair value, and is adjusted for accretion expenses and changes in the amount or timing of cash flows. The corresponding asset retirement costs are capitalized as part of the carrying values of the related long-lived assets and depreciated over the useful lives of the assets. The discount rate is 5% for 2013. The liability relates to estimated costs to remove asbestos that is contained within the University's facilities. Depreciation and accretion costs are approximately $191 for the year ended June 30, 2013.

(DOLLARS IN THOUSANDS)

NOTE 5 CAPITAL LEASES

At June 30, 2013, property, plant, and equipment included property under capital leases, as follows:

Furniture and Equipment	$	451
Computers		415
Less Accumulated Depreciation		(252)
Net of Accumulated Depreciation	$	614

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2013:

Year Ending June 30:		
2014	$	210
2015		210
2016		210
2017		51
Total Minimum Lease Payments		681
Less Amount Representing Interest		(40)
Present Value of Net Minimum Lease Payments	$	641

NOTE 6 OPERATING LEASES

The University has noncancelable operating leases ending in 2013 through 2018 for certain facilities and equipment. Rental expense under these agreements equaled $560 in 2013. Future minimum lease payments are as follows:

2014	$	401
2015		254
2016		74
2017		39
2018		4

(DOLLARS IN THOUSANDS)

NOTE 7 LONG-TERM DEBT

Bonds payable comprise the following:

	Dated	Security	Due Serially to	Original Amount	Interest Rate	Outstanding Principal Balance June 30 2013
Pennsylvania Higher Education Facilities Authority Bonds	2003	Science and engineering facility	2036	$ 50,365	4.00% to 5.40%	$ 45,780
Pennsylvania Higher Education Facilities Authority Bonds	2005	Dormitory and physical education facilities	2039	34,000	3.00% to 5.00%	31,950
						77,730
Unamortized Discount on Bonds						(476)
Unamortized Premium on Bonds						178
						$ 77,432

In October 2003, the University borrowed $50,365 for the refinancing of 1992, 1993, 1996, and 2000 revenue bonds and the construction of a Science and Engineering building addition on the Main Campus. Financing was arranged through a bond offering with the Pennsylvania Higher Education Facilities Authority (the Authority). The bond offering original principal consisted of $7,585 of serial bonds which bear interest at the annual rate of 4.0% to 5.0% and are due over eight years beginning July 15, 2008 and maturing July 15, 2015; term bonds of $6,360 that bear interest at 5.0% and are due on July 15, 2020; term bonds of $6,400 that bear interest at 5.25% and are due on July 15, 2024; term bonds of $1,900 that bear interest at 5.3% and are due on July 15, 2025; term bonds of $8,360 that bear interest at 5.38% and are due on July 15, 2029; and term bonds of $19,760 that bear interest at 5.4% and are due on July 15, 2036.

In February 2005, the University borrowed $34,000 for the construction of dormitory facilities, a physical education facility addition, and certain facility upgrades of buildings on the Main Campus. Financing was arranged through a bond offering with the Authority. The bond offering original principal consisted of $3,995 of serial bonds that bear interest at the annual rate of 3.0% to 4.1% and are due over 10 years beginning July 15, 2007 and maturing July 15, 2016; term bonds of $2,685 that bear interest at 4.75% and are due on July 15, 2021; term bonds of $3,250 that bear interest at 5.0% and are due on July 15, 2026; term bonds of $4,155 that bear interest at 5.0% and are due on July 15, 2031; and term bonds of $19,915 that bear interest at 5.0% and are due on July 15, 2039.

Interest expense was $3,993 for the year ended June 30, 2013.

(DOLLARS IN THOUSANDS)

NOTE 7 LONG-TERM DEBT (CONTINUED)

At June 30, 2013, the University's obligations mature as follows:

Year Ending June 30	
2014	$ 1,430
2015	1,490
2016	1,555
2017	1,620
2018	1,700
Thereafter	69,935
	$ 77,730

The fair value of the University's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the University for debt of the same remaining maturities.

The estimated fair values of the University's long-term debt as of June 30, 2013 are as follows:

	Carrying Amount	Fair Value
Long-Term Debt	$ 77,432	$ 77,301

NOTE 8 BASIS SWAP ARRANGEMENT

In 2007, the University entered into a basis swap transaction with Wachovia Bank to reduce its ongoing interest expense associated with the Series 2003 and 2005 Bonds. The agreement took effect May 25, 2007 and continues until July 2039. Under the terms of the agreement, the University pays a floating rate of interest equal to the Securities Industry and Financial Markets Association (SIFMA) Index and receives a floating rate equal to 67% of one-month LIBOR.

The University received an up-front cash payment of $3,265, which represents the net present value of the basis swap savings. The University also recorded $879 in prepaid bank fees, which will be amortized over the life of the contract and are included in other assets in the accompanying statements of financial position. At June 30, 2013, the fair value of the swap was estimated to be $(6,584), and is included in liabilities in the accompanying statements of financial position. The University recognizes a net gain or loss from the change in the fair value of the basis swap agreement as a nonoperating change in net assets on the statements of activities. For 2013, the University recognized a net gain of $234. The fair value is determined using a Level 2 input of the fair value hierarchy.

(DOLLARS IN THOUSANDS)

NOTE 9 EMPLOYEE BENEFIT PLANS

The University has three 403(b) tax-deferred savings plans for faculty, administrative staff, and other employees. The plans are funded by the purchase of individual annuity contracts and mutual funds. Annually, the University contributes 5% of each participant's base salary after the employee has met the service requirement. All employees may also elect to make before-tax salary reduction contributions of up to 5% of their salary. Employees, participating and meeting the service requirements, receive employer matching contributions up to the voluntary contribution. Employees vest immediately in all contributions made by the University.

The University also makes direct pension payments to certain pensioners for service prior to the initiation of the current plans.

Total expense relating to the above savings plans and pension payments was $6,196 for the year ended June 30, 2013.

In addition, the University provides medical plan supplemental coverage to retirees as a postretirement benefit. Information with respect to the plans is as follows:

Change in Benefit Obligation		
Benefit Obligation at Beginning of Year	$	50,568
Service Cost		1,830
Interest Cost		2,240
Plan Participants' Contributions		182
Actuarial Gain		(5,948)
Benefits Paid		(1,165)
Medicare Part D Prescription Drug Federal Subsidy		59
Benefit Obligation at End of Year	$	47,766

Net periodic postretirement benefit cost reported as an expense in the statements of activities includes the following components:

Service Cost	$	1,830
Interest Cost		2,240
Amortization of Prior Service Credit		(36)
Amortization of Unrecognized Loss		2,274
Net Periodic Postretirement Benefit Cost	$	6,308

(DOLLARS IN THOUSANDS)

NOTE 9 EMPLOYEE BENEFIT PLANS (CONTINUED)

The accumulated postretirement benefit obligation was determined using a discount rate of 4.95% in 2013 and a healthcare cost trend rate of 7.5% in 2013. This rate gradually decreases to 5.0% by the year 2018 and remains constant thereafter. Increasing the assumed healthcare cost trend rate by 1.0% in each year and holding all other assumptions constant would increase accumulated postretirement benefit obligation approximately $9,115 at June 30, 2013, and increase the aggregate of the service and interest cost components of the net periodic postretirement benefit cost by $802 for the year ended June 30, 2013.

The University's expected employer contributions are $1,214 for the year ended June 30, 2014.

At June 30, 2013, the University's expected future benefit payments for future service are as follows:

Estimated Future Benefits Payments Reflecting Expected Future Service for the Fiscal Year Ending:		
June 30, 2014	$	1,056
June 30, 2015		1,236
June 30, 2016		1,391
June 30, 2017		1,561
June 30, 2018		1,731
June 30, 2019 - 2023		11,176

At June 30, 2013, the items not yet recognized as a component of net periodic postretirement benefit cost are as follows:

Unrecognized Prior Service Cost	$	(337)
Unrecognized Net Loss		15,815
Total Unamortized Items	$	15,478

In addition to service and interest costs, the components of projected net periodic postretirement benefit cost for fiscal 2013 are amortization of prior service cost of approximately $36 and amortization of net actuarial losses of approximately $1,208.

NOTE 10 NET ASSET BALANCES

Temporarily restricted net assets consist of the following at June 30, 2013:

Funds Held for Accumulated Gains on True Endowment	$	6,789
Funds Held for Scholarships		1,310
Funds Held for Special Projects		6,951
	$	15,050

(DOLLARS IN THOUSANDS)

NOTE 10 NET ASSET BALANCES (CONTINUED)

Permanently restricted net assets consist of the following at June 30, 2013:

Funds Held in Support of Scholarships	$	17,985
Funds Held in Support of Academic Professorships		4,377
Funds Held in Support of General Operations		2,273
Funds Held for Other Purposes		13,483
	$	38,118

NOTE 11 ENDOWMENTS

The University's endowment consists of 292 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The University has interpreted relevant law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by relevant law. Pennsylvania law permits the Board of Trustees to make an election to annually appropriate for expenditure a selected percentage between 2% and 7% of the fair value of the assets related to donor-restricted endowment funds averaged over a period of three or more preceding years, provided the Board of Trustees has determined that such percentage is consistent with the long-term preservation of the real value of such assets.

NOTE 11 ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the appropriate indices while assuming a moderate level of investment risk. The University expects its endowment funds, over time, to provide a board-approved average rate of return annually. Actual returns in any given year may vary from that amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The University has a policy of appropriating for distribution each year up to a board-approved percentage of its funds based on the average three-year rolling market value. The board-approved spending rate was 6.0% for the year ended June 30, 2013. In establishing this policy, the University considered the long-term expected return on its funds. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow annually. This is consistent with the University’s objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift amount maintained as permanently restricted net assets. Deficiencies of this nature were approximately $46 as of June 30, 2013. Such deficiencies are recorded in unrestricted net assets. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions.

(DOLLARS IN THOUSANDS)

NOTE 11 ENDOWMENTS (CONTINUED)

Net Asset Classifications of Endowment Funds

Net asset classification by type of endowment as of June 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	$ (46)	$ 6,789	$ 38,118	$ 44,861
Board-Designated Endowment Funds	41,908	-	-	41,908
	$ 41,862	$ 6,789	$ 38,118	$ 86,769

Changes in endowment net assets for the year ended June 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	$ 39,682	$ 4,189	$ 36,103	$ 79,974
Investment Return				
Investment Loss	(319)	(259)	-	(578)
Net Appreciation (Realized and Unrealized Gains and Losses)	5,952	3,629	-	9,581
Total Investment Return	5,633	3,370	-	9,003
Contributions	-	-	2,015	2,015
Appropriation of Quasi-Endowment Assets for Expenditures	(514)	-	-	(514)
Appropriation of Endowment Assets for Expenditure	(2,939)	(770)	-	(3,709)
	$ 41,862	$ 6,789	$ 38,118	$ 86,769

NOTE 12 CONTINGENCIES

The University is party to certain claims and litigation arising in the ordinary course of business. In the opinion of management, the resolution of such claims and litigation will not materially affect the University's financial position.

Since 1997, the University has also guaranteed, on a joint and several basis with another entity, certain loans to finance the building of the University Technology Park, Inc. These loans amount to approximately $2,800 as of June 30, 2013, of which the University has guaranteed $1,400 of these loans.

Amounts received and expended by the University under various federal and state programs are subject to audit by the various federal and state agencies. In the opinion of management, audit adjustments, if any, will not have a significant effect on the financial position of the University.

Outstanding commitments for construction contracts totaled approximately $7,000 as of June 30, 2013.

NOTE 13 SUBSEQUENT EVENTS

In preparing these financial statements, the University has evaluated events and transactions for potential recognition or disclosure through September 25, 2013, the date the financial statements were issued.

On August 29, 2013, the University issued bonds in the amount of $12,000. The new debt will provide funds to build additional student housing. The bonds bear interest rates of 5.5% and will be redeemed over the next 30 years.

APPENDIX C

Definitions of Certain Terms and Summary of Certain
Provisions of the Loan Agreement and the Indenture

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DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used herein and in the Loan Agreement and the Indenture and not otherwise defined in this Official Statement.

"Additional Bonds" shall mean any Bonds or series of Bonds, other than the 2005 Bonds, the 2013 Bonds, the 2013A Bonds and the 2014 Bonds, authenticated and delivered under the Indenture.

"Administrative Expenses" shall mean those expenses reasonably and properly incurred by the Authority in carrying out its responsibilities and duties, or in providing its services and facilities to the University, under the Act or the Indenture or pursuant to the Loan Agreement.

"Annual Administrative Fee" shall mean the annual fee of the Authority.

"Authority Representative" shall mean the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Executive Director, any Assistant Executive Director, the Controller, any Assistant Controller or any other officer of the Authority or other person designated by certified resolution of the governing body of the Authority to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter, a copy of which shall be on file with the Trustee.

"Balloon Indebtedness" means any Long Term Indebtedness other than a Demand Obligation, 25% or more of the principal amount of which is payable in the same year (after taking into account all mandatory redemptions or prepayments payable over the life of the indebtedness), such year being herein referred to as a "balloon payment year" and the principal amount payable in such balloon payment year being herein referred to as a "balloon payment".

"Bankruptcy Proceeding" shall mean the entry of an order for relief against, or the filing of a petition by or against the University or the Authority under Title 11 of the United States Code, as amended from time to time, or any successor statute thereto, or if the University or the Authority, as the case may be, shall be adjudicated a bankrupt, a debtor or an insolvent thereunder or under any applicable law of the Commonwealth or the State of Delaware, or shall admit in writing its inability to pay its debts as they mature, or shall make an assignment for the benefit of its creditors; or if the University or the Authority shall apply for or consent to the appointment of any receiver, trustee, or similar officer for itself or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the University or the Authority; or if the University or the Authority shall institute or have instituted against it (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction.

"Bondholder," "holder" or "owner" shall mean, when used with respect to Bonds, the Person in whose name any Bond is registered pursuant to the Indenture.

"Bonds" shall mean the 2005 Bonds, the 2013 Bonds, the 2013A Bonds, the 2014 Bonds and any additional series of bonds authenticated and delivered pursuant to the Indenture.

"Capital Additions" shall mean all property or interests in property, real, personal and mixed, which constitute additions, improvements or extraordinary repairs to or replacements of all or any part of the University Facilities after the date of issuance of the 2005 Bonds, including without limitation any additional land, buildings and improvements financed through the issuance of Additional Bonds, the cost of which is properly capitalizable under generally accepted accounting principles.

"Certificate" shall mean a certificate or report, in form and substance satisfactory to the Authority and the Trustee, executed: (a) in the case of an Authority Certificate, by an Authority Representative; (b) in the case of a University Certificate, by a University Representative; and (c) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer, partner or other authorized representative of such Person.

"Certified Resolution" shall mean, as the context requires: (a) one or more resolutions or ordinances of the governing body of the Authority, certified by the Secretary or Assistant Secretary of the Authority, under its seal, to have been duly adopted or enacted and to be in full force and effect as of the date of certification; or (b) one or more resolutions of the governing body of the University or a duly authorized committee thereof, certified by the Secretary or Assistant Secretary of the University or other officer serving in a similar capacity, under its corporate seal, to have been duly adopted and to be in full force and effect as of the date of certification.

"Code" shall mean the Internal Revenue Code of 1986, as amended and the applicable Treasury regulations thereunder, as the same may be amended from time to time. Reference to any specific provision of the Code shall be deemed to refer to any successor provision of the Code.

"Cost" or "Costs" shall mean: (a) when used with respect to a Project or other Capital Addition, all costs, including Administrative Expenses, which are allocable thereto and properly capitalized under generally accepted accounting principles and all other costs (whether or not properly capitalized) which are incidental thereto and reasonably necessary or desirable in connection therewith (or incidental to and reasonably necessary or desirable in connection with the financing thereof, including without limitation, the payment of any premiums on bond insurance policies); and (b) when used with respect to the refinancing of a Project or other Capital Addition, all Administrative Expenses and all other costs which are allocable to the retirement of the indebtedness to be refinanced (whether at or prior to maturity) and all costs incidental to and reasonably necessary or desirable in connection with the incurrence of any indebtedness for the purpose of the refinancing.

"Counsel" shall mean an attorney or law firm (which may be counsel to the Authority or University) not unsatisfactory to the Authority or the Trustee.

"Debt Service Requirements" means, for any Fiscal Year, the amounts payable to any or all holders of Long Term Indebtedness (or to any trustee or paying agent for such holders, including the Trustee) in respect of the principal of such Long Term Indebtedness (including scheduled mandatory redemptions or prepayments of principal) and the interest on such Long Term Indebtedness; provided, however, that:

(a) the amounts deemed payable in respect of interest shall not include interest on any Long Term Indebtedness which is funded from the proceeds thereof;

(b) the Debt Service Requirements on any capitalized leases shall be equal to the lease rentals due and payable in accordance with the terms thereof; and

(c) the foregoing shall be subject to adjustment and recalculation as and to the extent permitted or required by the Loan Agreement.

"Demand Obligation" means any indebtedness which (a) has a stated maturity which is more than 365 days after the date of incurrence, (b) is subject to repayment upon demand by the holder prior to maturity and (c) is incurred as Long Term Indebtedness described under "THE LOAN AGREEMENT – Additional Indebtedness – Long Term Indebtedness – General Provisions" below.

"Fiscal Year" means the annual accounting year of the University, which currently begins on July 1 in each calendar year.

"Fitch" means, so long as the Bonds are rated by Fitch, Fitch Ratings, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by the University.

“Government Obligations” shall mean direct obligations of, or obligations the timely payment of the principal of and interest on which is fully and unconditionally guaranteed by, the United States of America.

“Gross Revenues” shall mean all receipts, revenues, income and other moneys received by or on behalf of the University from the operation, ownership or leasing of all University Facilities, all gifts, grants, bequests, donations and contributions received by the University, and all rights to receive the same whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, including any insurance proceeds and any condemnation awards derived therefrom, whether now existing or hereafter coming into existence and whether now owned or held or thereafter acquired by the University in connection with the University Facilities; provided, however, that there shall be excluded from Gross Revenues: (i) gifts, grants, bequests, donations and contributions theretofore or thereafter made, the application of the proceeds of which is designated or restricted at the time of making thereof by the donor, payor or maker as being for certain specified purposes inconsistent with the application thereof to the payment of loan payments under the Loan Agreement or not subject to pledge, or subsequent to the receipt thereof, so designated or restricted by the University in order to meet the requirements of any challenge grant received by the University, and the income derived therefrom to the extent set forth in or by such designation, restriction or by law; and (ii) receipts, revenues, income and other moneys received by or on behalf of the University from the operation, ownership or leasing of University Facilities, if and to the extent that such receipts, revenues, income and other moneys have been pledged or encumbered to secure Non-Recourse Indebtedness.

“Independent” shall mean (a) in the case of an individual, one who is not a member of the governing body of the Authority or the University or an officer or employee of the Authority or the University, and (b) in the case of a partnership, corporation or association, one which does not have a partner, director, officer, member or substantial stockholder who is a member of the governing body of the Authority or the University or an officer or employee of the Authority or the University; provided, however, that the fact that a Person is retained regularly by or transacts business with the Authority or the University shall not make such Person an employee within the meaning of this definition.

“Independent Public Accountant” means an Independent accounting firm which is appointed by the University for the purpose of examining and reporting on or passing on questions relating to its financial statements, has all certifications necessary for the performance of such services, has a favorable reputation for skill and experience in performing similar services in respect of entities of a comparable size and nature and is not unsatisfactory to the Authority or the Trustee.

“Insurance Consultant” means an Independent firm of insurance agents, brokers or consultants which is appointed by the University for the purpose of reviewing and recommending insurance coverages for the facilities and operations of the University, has a favorable reputation for skill and experience in performing such services in respect of facilities and operations of a comparable size and nature, and is not unsatisfactory to the Authority or the Trustee.

“Investment Banker” means an Independent firm of investment bankers which is appointed by the University to pass upon questions relating to the financing of University projects, has a favorable reputation for skill and experience in investment banking and is not unsatisfactory to the Authority or the Trustee.

“Loan Commitment” shall mean an unconditional irrevocable letter of credit, a line of credit, a binding long term loan commitment or other similar extension of credit which (a) is issued for the purpose of providing a source of funds for the payment of the full principal amount of any Balloon Indebtedness or Demand Obligation, (b) is issued by a commercial bank which has a securities rating of at least “A” assigned to its unsecured long term debt by at least one nationally recognized rating agency, and (c) provides that amounts borrowed thereunder are subject to repayment over a term of not less than five years.

“Long Term Indebtedness” means any or all obligations of the University for the payment of money (including payment obligations in respect of Bonds), whether due and payable in all events or upon the performance of work, possession of property or satisfaction of other specified conditions, except:

(a) Short Term Indebtedness and Non-Recourse Indebtedness;

(b) Current obligations payable out of current revenues, including current payments for the funding of pension plans;

(c) Obligations under contracts for supplies, services and pensions, allocable to the current operating expenses of future years in which the supplies are to be furnished, the services rendered or the pensions paid;

(d) Rentals payable under leases which are not properly capitalized under generally accepted accounting principles; and

(e) Obligations incurred to originate or acquire higher education loans to students enrolled at the University with the intention that such loans will be sold within one year after origination or acquisition and that such obligations will be paid with proceeds of such sale.

"Maximum Annual Debt Service Requirements" shall mean, as of the date of calculation, annual Debt Service Requirements payable during the then current or any succeeding Fiscal Year over the remaining term of all Bonds.

"Moody's" means, if and for so long as the Bonds are rated by Moody's, Moody's Investors Service, Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by the University.

"Net Revenues Available for Debt Service" shall mean, with respect to the University, the change in unrestricted net assets, determined in accordance with generally accepted accounting principles, consistently applied, but without recognition of unrealized gains or losses on investments, plus, (i) interest expense, (ii) depreciation and amortization expense, (iii) non-cash charges such as non-cash post retirement benefit expense, asset impairment adjustments and losses on extinguishment of debt, and (iv) extraordinary items.

"Non-Recourse Indebtedness" means any indebtedness (a) which is incurred as permitted by the Loan Agreement described under "THE LOAN AGREEMENT – Additional Indebtedness – Non-Recourse Indebtedness" and (b) the holder of which has no claim for any payments in respect thereof against the general credit of the University or against the University Facilities, except as otherwise permitted by the Loan Agreement, or the Gross Revenues.

"Outstanding" shall mean, with respect to the Bonds, all Bonds authenticated and delivered under the Indenture as of the time in question, except:

(a) All Bonds theretofore cancelled or required to be cancelled pursuant to the Indenture;

(b) Bonds for the payment or redemption of which provision has been made in accordance with the Indenture; provided that, if such Bonds are being redeemed, the required notice of redemption shall have been given or provision satisfactory to the Trustee shall have been made therefor, and that if such Bonds are being purchased, there shall be a firm commitment for the purchase and sale thereof; and

(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to the Indenture.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, a governmental body or a political subdivision, a municipality, a municipal authority or any other group or organization of individuals.

"Pledged Revenues" shall mean the loan payments received or receivable by the Authority from the University under the Loan Agreement, any and all other amounts payable to the Trustee as specified in the

Indenture, and all income and receipts on the funds (other than the Rebate Fund) held by the Trustee under the Indenture.

"Project" shall mean and include the 2003 Project, the 2005 Project, the 2013 Project and any Capital Addition, all or any portion of the Costs (including Costs of completion) of which are paid or payable from the proceeds of any series of Bonds or from other moneys deposited into the Project Fund.

"Qualified Investments" means any of the following securities, if and to the extent the same are at the time legal for investment of the funds held under the Indenture:

(i) Government Obligations.

(ii) Bonds, debentures, notes, participation certificates or other evidences of indebtedness issued, or the principal of and interest on which are unconditionally guaranteed, by the Federal National Mortgage Association, the Bank for Cooperatives, or the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Federal Land Banks, the Government National Mortgage Association or any other agency or instrumentality of or corporation wholly owned by the United States of America when such obligations are backed by the full faith and credit of the United States.

(iii) Obligations of any state of the United States or any political subdivision thereof, which is rated at least "AA" by Fitch, "Aa" by Moodys or "AA" by S&P or general obligations of any state of the United States with a rating of at least "AA" by Fitch, "Aa" by Moody's or "AA" by S&P, at the time of investment.

(iv) "Pre-refunded Municipal Obligations" which means any obligations of any state of the United States or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in such irrevocable instructions; and which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Fitch, Moody's or S&P or any successors thereto; or which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (i) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a firm of nationally recognized independent public accountants, to pay principal of and interest and redemption premium, if any, on the obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(v) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: Senior debt obligations rated "AA" by Fitch, "Aa" by Moody's or "AA" by S&P, at the time of investment and issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC); obligations of the Resolution Funding Corporation (REFCORP); and senior debt obligations of the Federal Home Loan Bank System.

(vi) Investments in a money market fund rated in either of the two highest rating categories by Fitch, by Moody's or by S&P.

(vii) Commercial paper which is rated at the time of purchase in the highest rating category by Fitch, by Moody's or by S&P and which matures not more than 270 calendar days after the date of purchase.

(viii) Shares or interests in money market mutual funds, including without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the

Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (ii) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates, restricted to obligations with maturities of one year or less issued by, or the payment of principal and interest with respect to which is guaranteed by, the United States of America, and which are rated in either of the two highest rating categories by Fitch, by Moody's or by S&P, at the time of investment.

(ix) Guaranteed investment contracts, repurchase agreements and/or investment agreements, in each case with a provider rated in either of the two highest rating categories by Fitch, by Moody's or by S&P, at the time of investment.

"Reserve Fund Requirement" shall mean an amount equal to the Maximum Annual Debt Service Requirements (as defined in the Loan Agreement) on all Bonds Outstanding as of the date of determination which are secured by the Debt Service Reserve Fund; provided that the amount deposited in the Debt Service Reserve Fund with respect to each series of Bonds for which there is established a Debt Service Reserve Fund shall not exceed 10% of the principal amount (net of original issue discount) of such series of Bonds.

"S&P**"** means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if such rating agency shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the University.

"Short Term Indebtedness" means any obligation for the repayment of borrowed moneys which matures not later than 365 consecutive days after it is incurred and any obligation for the repayment of borrowed moneys which is payable upon demand within such period at the option of the holder; provided that the term Short Term Indebtedness shall not be deemed to include (i) any Non-Recourse Indebtedness, any Demand Obligation or any accrued expenses, accounts payable or other sums which do not constitute borrowed moneys or (ii) any obligations incurred to originate or acquire higher education loans to students enrolled at the University with the intention that such loans will be sold within one year after origination or acquisition and that such obligations will be paid with the proceeds of such sale.

"Supplemental Indenture" or "indenture supplemental thereto" shall mean any indenture amending or supplementing the Indenture which may be entered into in accordance with the provisions of the Indenture.

"2014 Project Facilities" means the various capital facilities of the University financed or refinanced with proceeds of the 2005 Bonds.

"University Facilities" shall mean the buildings, structures, real estate and any appurtenant facilities, equipment and fixtures acquired or to be acquired by the University, used or useful by the University in connection with or incidental to its functioning as an institution of higher learning.

"University Representative" means the person or persons at the time designated to act on behalf of the University, either generally or with respect to the execution of any particular document or other specific matter, as set forth in the By-Laws of the University or a certified resolution of its governing body, copies of which shall be on file with the Authority and the Trustee.

"Variable Rate Indebtedness" means any Long Term Indebtedness, the rate of interest on which is subject to change prior to maturity.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE

The following are summaries of certain provisions of the Loan Agreement and the Indenture. These summaries should not be regarded as full statements of the documents themselves or of the portions summarized. Reference is made to the documents in their entireties for the complete statements of the provisions thereof. Copies of the Loan Agreement and the Indenture are on file at the corporate trust office in Cherry Hill, New Jersey of the Trustee. Any capitalized term used herein and not defined shall have the meaning ascribed to it in the Loan Agreement or the Indenture, as the case may be.

THE LOAN AGREEMENT

The 2014 Project; Other Projects and Capital Additions

Loan of 2014 Bond Proceeds. Upon the issuance of the 2014 Bonds, the Authority shall lend the proceeds thereof to the University for the purpose of financing the 2014 Project.

University's Financial Obligations. The University agrees that, to the extent that other available moneys are insufficient therefor, it shall provide funds for the payment of the Costs of any Capital Addition, if applicable. Without limiting the generality of the foregoing, the University agrees to deposit into the Project Fund such amounts, at such times, as are necessary in order to provide in such Fund sufficient moneys for the payment of Costs of Projects properly payable therefrom.

The 2014 Project Facilities; Construction of Future Projects and Capital Additions.

(a) The University shall cause the 2014 Project Facilities to be maintained and operated in compliance with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable thereto. The University shall cause any future Projects and Capital Additions to be undertaken and completed in compliance with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable thereto. In connection therewith, the University further agrees that: (i) it shall enter into such construction contracts and other agreements with third parties (the "Construction Contracts") as it deems necessary or advisable for any acquisition, installation, equipping, constructing, renovations and conversions relating thereto; (ii) it shall cause any future Projects and all Capital Additions to be completed in accordance with the Construction Contracts, if any, therefore and shall enforce all such Construction Contracts; and (iii) if the Capital Addition involves construction, it shall obtain or cause its general contractor, if any, to obtain such surety bonds and insurance policies as the University deems necessary or appropriate to cover the performance of contracts (including correction of defects), payment for labor and materials, builders' risk coverage, workers' compensation and employers' liability coverage and public liability and property damage coverage.

(b) The University further agrees as follows with respect to any Project:

(i) The Costs of any Project shall be paid by the Trustee from the Project Fund in accordance with the provisions of the Indenture.

The University shall enforce the Construction Contracts for any Project, and neither it nor the Authority will do or refrain from doing any act whereby any surety on any bond may be released in whole or in part from any obligation assumed by such surety or from any agreement to be performed by such surety under the bond. In the event of any default on the part of any contractor or any subcontractor or supplier under any contract made by it in connection with any such Project, or in the event of a breach of warranty with respect to any materials, workmanship or performance guaranty, the University may proceed, either separately or in conjunction with others, to pursue such remedies against the contractor, subcontractor or supplier so in default and against each surety for the performance of such contract as it may deem advisable. The University may prosecute any action or proceeding or take any other action involving any such contractor, subcontractor, supplier or surety which the University deems reasonably necessary, and in such event the Authority agrees to cooperate fully with the University.

(ii) During the period of construction, if any, of any Project, the University will maintain or cause its general contractor to maintain certain insurance coverages set forth in the Loan Agreement.

Payments

Payments Under the Loan Agreement. In consideration of and in repayment of the loan, the University shall make, as loan payments, payments which correspond, as to amounts and due dates, to the principal or redemption price of and interest on the Bonds, each such payment to be due fifteen (15) days prior to the date on which the corresponding payment of principal or redemption price of or interest on the Bonds is due.

It is the intention of the Authority and the University that, notwithstanding any other provision of the Loan Agreement, the Trustee, as assignee of the Authority, shall receive funds from or on behalf of the University in such amounts and at such times as will enable the Authority to pay when due all of the principal or redemption price of and interest on the 2014 Bonds and any such obligations surviving the payment of the 2014 Bonds.

The University shall be entitled to credits against the loan payments as and to the extent provided in the Indenture.

In addition, the University shall make payments to the Trustee in the amounts and on the dates necessary to restore any withdrawal from the Debt Service Reserve Fund in accordance with the Indenture.

No Set-Off. The obligation of the University to make the payments required above shall be absolute and unconditional. The University will pay without abatement, diminution or deduction (whether for taxes, loss of use, in whole or in part, of the University Facilities or otherwise) all such amounts regardless of any cause or circumstance whatsoever, which may now exist or may hereafter arise, including without limitation, any defense, set-off, recoupment or counterclaim which the University may have or assert against the Authority, the Trustee, any Bondholder or any other person.

Prepayments. The University shall be permitted, at any time and from time to time, to prepay all or any part of the amounts payable under "THE LOAN AGREEMENT – Payments" together with such other amounts as shall be sufficient to redeem all or a portion of the 2014 Bonds in accordance with the provisions of the Indenture.

Authority's Fees. (i) Contemporaneously with the execution and delivery of the Loan Agreement, the University shall pay an initial Authority fee with respect to the 2014 Bonds and (ii) annually thereafter shall pay, directly to the Authority the Annual Administrative Fee. In addition, the University shall pay directly to the Trustee, on behalf of the Authority, when due, the Trustee Fees as provided in the Indenture.

Other Payments by the University. The University will pay, when due, any costs of issuance in respect of the Bonds in excess of the amount of such costs which may be paid from proceeds of the Bonds pursuant to the Code. In addition, the University shall pay directly to the Trustee, on behalf of the Authority, when due, the Trustee fees, expenses and disbursements as provided in the Indenture. The foregoing sums shall be paid directly to the parties entitled thereto.

Assignment of Agreement. The Authority's right, title and interest in the Loan Agreement including the above payments (except for the Authority's right to receive the Annual Administrative Fee and its Administrative Expenses and the right to indemnification) and the security interest granted under the Loan Agreement shall be irrevocably pledged by the Authority as security for the Bonds as provided in the Indenture, and in furtherance of said pledge the Authority unconditionally assigns all payments by the University under the Loan Agreement (except as aforesaid) to the Trustee for deposit or application in accordance with the Loan Agreement and the Indenture. The Authority consents to the payment by the University of, and directs the University to pay, all such amounts directly to the Trustee.

Additional Indebtedness and Security Therefor

Long Term Indebtedness-General Provisions. The University shall be permitted to incur additional Long Term Indebtedness (whether through the creation of new indebtedness or the assumption of existing indebtedness or the guaranteeing of any new or existing indebtedness) only upon delivery of the following to the Authority and the Trustee:

(a) A University Certificate (i) setting forth in reasonable detail the estimated uses of the proceeds of the Long Term Indebtedness, and certifying the adequacy of such proceeds and any other available moneys for such uses, (ii) stating that no Event of Default has occurred and is continuing, and (iii) if any Capital Addition is to be financed, stating that all applicable requirements described under "THE LOAN AGREEMENT – The 2014 Project; Other Projects and Capital Additions" have been satisfied;

(b) An opinion of Counsel to the effect that (i) the incurrence of the Long Term Indebtedness has been duly authorized by the University, (ii) all applicable requirements under the Loan Agreement for the incurrence of the Long Term Indebtedness have been satisfied and (iii) all necessary approvals of all Regulatory Bodies having jurisdiction have been obtained with respect to the incurrence of the Long Term Indebtedness, the commencement of any construction to be financed with the proceeds thereof, and any other application of proceeds of the Long Term Indebtedness; and

(c) An Officer's Certificate demonstrating that Net Revenues Available for Debt Service are at least equal to 1.15 times the Maximum Annual Debt Service Requirements, including the proposed Long Term Indebtedness.

Additional Provisions Concerning Certain Forms of Long Term Indebtedness. For the purposes of the Loan Agreement, the Maximum Annual Debt Service Requirements on any Balloon Indebtedness, Variable Rate Indebtedness, Demand Obligations or any Long Term Indebtedness in the form of a guaranty of the indebtedness of others shall be determined as follows:

(a) *Balloon Indebtedness*. The Debt Service Requirements on Balloon Indebtedness shall be deemed equal to the amounts required to be paid by the University in each Fiscal Year in respect of the principal (including any balloon payment) of and interest on such Balloon Indebtedness unless, at the time of incurrence, the University delivers to the Trustee (i) a certified copy of a Loan Commitment under which funds are available to repay the full principal amount of the Balloon Indebtedness, and (ii) an Investment Banker's Certificate stating that Long Term Indebtedness (other than Balloon Indebtedness) is then reasonably available to the University (from lending sources unrelated to the University) in an amount equal to the principal amount of the Balloon Indebtedness to be incurred and setting forth the annual payment terms (including principal and interest payments) upon which the University could obtain such other Long Term Indebtedness over a term not to exceed 30 years. If the foregoing are provided to the Trustee, the Debt Service Requirements on the Balloon Indebtedness shall thereafter be deemed equal to the annual payment terms set forth in the Investment Banker's Certificate; except that, if any Loan Commitment provided pursuant to the foregoing is not renewed or replaced prior to its expiration, the University shall be required to repay the Balloon Indebtedness prior to such expiration and, if necessary, to borrow the amount available under the expiring Loan Commitment for such purpose.

(b) *Demand Obligations*. The Debt Service Requirements on Demand Obligations shall be determined in the same manner as is set forth above for Balloon Indebtedness, treating any principal which is payable upon demand by the holders in the same manner as balloon payments; provided that, if any such Demand Obligation also constitutes Variable Rate Indebtedness, the interest component of the Debt Service Requirements thereon shall be determined in accordance with paragraph (c) below.

(c) *Variable Rate Indebtedness*. The interest component of the Debt Service Requirements on Variable Rate Indebtedness shall be determined as follows:

(i) For the purpose of determining whether the Variable Rate Indebtedness may be incurred, the Debt Service Requirements thereon shall be deemed to include interest at the initial rate to be in effect on the date of incurrence.

(ii) For the purpose of any other required calculation of the Debt Service Requirements on existing Variable Rate Indebtedness, such indebtedness shall be deemed to bear interest at a rate equal to 1.25 times the average rate per annum at which the interest thereon has accrued since the original incurrence thereof, including interest which has accrued to the date of calculation, but is not then due and payable.

(d) *Guaranties*. The Debt Service Requirements on any Long Term Indebtedness in the form of a guaranty of the indebtedness of others shall be deemed equal to 25% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year; provided that, if the University is required to make any payment of principal or interest under the terms of any such guaranty, the Debt Service Requirements under the guaranty shall, during the Fiscal Year in which the payment is made and the next succeeding Fiscal Year, be deemed equal to 100% of the annual principal and interest requirements on the indebtedness being guaranteed.

<u>Short Term Indebtedness</u>. The University may incur Short Term Indebtedness from time to time, provided that the principal amount of the Short Term Indebtedness to be incurred, when added to the outstanding principal amount of all other Short Term Indebtedness, does not exceed 15% of the total unrestricted revenues and gains of the University for the Fiscal Year immediately preceding such incurrence and that, for at least thirty (30) consecutive days during each Fiscal Year, the principal amount of all Short Term Indebtedness outstanding shall not exceed 3% of the total unrestricted revenues and gains of the University for the immediately preceding Fiscal Year.

<u>Non-Recourse Indebtedness</u>. The University shall be permitted to incur Non-Recourse Indebtedness without limitation.

<u>Security for Indebtedness</u>. Indebtedness incurred under the Loan Agreement may be secured only by such liens, security interests or other similar rights and interests (hereinafter collectively referred to as "liens") as are permitted below:

(a) Long Term Indebtedness may be secured by: (i) liens in the form of purchase money security interests in personal property or purchase money mortgages on unimproved real property and any improvements subsequently constructed thereon, or on real property and any improvements existing thereon when acquired by the University, in each case financed or refinanced with the proceeds of the Long Term Indebtedness secured thereby; (ii) liens on property constituting any portion of the property, plant and equipment of the University and/or the revenues derived from the operation of such property, if the book value of such property as of the last day of the Fiscal Year immediately preceding the creation of such lien, together with the book value of all other property, plant and equipment of the University subject to liens pursuant to this clause (a)(ii), does not exceed 10% of the Gross Revenues of the University for the immediately preceding Fiscal Year; (iii) liens on property, plant and equipment of the University and/or the revenues derived from such property, plant and equipment, if such property could have been transferred, sold or otherwise disposed of pursuant to the Loan Agreement; (iv) liens on the Gross Revenues on a parity or subordinate basis to the security interest thereon created by the Loan Agreement; and (v) liens on restricted gifts, grants, bequests, donations, other similar contributions, pledges of the foregoing and income derived from the investment thereof, if restricted or designated by the donor or maker at the time of the making thereof for use to pay (or to repay loans incurred to pay) the costs of capital improvements to be financed with the proceeds of the Long Term Indebtedness secured thereby. No lien which does not meet the foregoing requirements may be granted to secure any Long Term Indebtedness unless a lien of equal or superior rank and priority is granted in favor of the Trustee for the benefit of the holders of all Bonds issued and Outstanding under the Indenture.

(b) Short Term Indebtedness may be secured by liens on the Gross Revenues of the University on a parity or subordinate basis to the security interest thereon created by the Loan Agreement.

(c) Non-Recourse Indebtedness may be secured by liens on: (i) any real property, fixtures and tangible personal property acquired with the proceeds of the Non-Recourse Indebtedness and any improvements to such property: (ii) revenues derived from the ownership or operation of the property described in clause (i) above; and (iii) restricted gifts, grants, requests, donations, other similar contributions, pledges of the foregoing and income derived from the investment thereof, if and to the extent excluded from Gross Revenues.

(d) The foregoing shall not be deemed to prohibit the establishment of funds consisting in whole or in part of moneys of the University such as (A) construction funds or other similar funds established to pay the costs of projects being financed by the indebtedness secured thereby, (B) debt service funds or other similar funds established to accumulate funds to pay the principal or redemption price of and interest on the indebtedness secured thereby, (C) depreciation reserve funds or other similar funds established to provide a proper matching between revenues and debt service requirements, (D) defeasance escrows for the payment of indebtedness which are funded from proceeds of refunding indebtedness, and (E) other reasonably required reserve funds. All such funds and the required deposits of moneys of the University therein shall be consistent with prevailing market conditions at the time such funds are established. Notwithstanding any other provision in the Loan Agreement, the University may grant a first lien security interest in any such fund in favor of the holder of the indebtedness secured thereby, provided that the obligation of the University to make deposits into any such fund may be secured only if and to the extent permitted pursuant to the Loan Agreement.

Further Agreements

Nature of Obligations; Security Therefor.

(a) The obligations of the University under the Loan Agreement are general obligations of the University to which its full faith and credit are pledged.

(b) As security for its obligations, the University pledges and grants to the Authority a security interest in the University's Gross Revenues.

(c) The existence of such pledge and security interests shall not prevent the expenditure, deposit or commingling of the Gross Revenues by the University so long as all required payments under the Loan Agreement are made when due. If any required payment is not made when due or an Event of Default shall have occurred, any Gross Revenues subject to such security interest which is then on hand and not yet commingled with other funds of the University, and any such Gross Revenues thereafter received, shall not be commingled or deposited but shall immediately, or upon receipt, be transferred to the Bond Fund to the extent needed to make the amount on deposit in the Bond Fund at least equal to the requirements of the Bond Fund, and/or used to make any other required payment.

(d) The Loan Agreement shall constitute a security agreement within the meaning of the Pennsylvania Uniform Commercial Code. In addition to all other rights and remedies under the Loan Agreement, the Authority and the Trustee as its assignee shall have all rights and remedies of a secured party under the Pennsylvania Uniform Commercial Code. The University shall join with the Authority and the Trustee in the execution and filing of all financing statements, continuation statements and other documents as may be necessary from time to time to perfect or continue the perfection of the security interest granted under the Loan Agreement.

Sale or Other Disposition of Assets. The University shall not transfer, sell or otherwise dispose of any of the University Facilities or other assets, unless (a) such transfer, sale or other disposition is made in the ordinary course of business or (b) the University files with the Trustee a University Certificate demonstrating that, after deduction of all unrestricted gains and revenues and after credit for all expenses properly attributable to the facilities or assets in question, the University could incur One Dollar of additional Long Term Indebtedness as described under "THE LOAN AGREEMENT – Additional Indebtedness."

Consolidation, Merger, Sale or Conveyance.

(a) The University shall be permitted to merge or consolidate with or transfer all or substantially all of its assets to another entity only upon compliance with subparagraph (i) or (ii), as applicable, and subparagraph (iii) below:

(i) if the University will be the surviving or successor corporation, it shall be required to file with the Trustee a University Certificate demonstrating that it could incur One Dollar of additional Long Term Indebtedness as described under "THE LOAN AGREEMENT – Additional Indebtedness" immediately upon the occurrence of the merger or consolidation, after giving effect to the acquisition of the unrestricted revenues and gains and assumption of the Long Term Indebtedness of the acquired entity; or

(ii) if the University will not be the surviving or successor corporation, the University (or the surviving or successor corporation) shall be required to file with the Trustee (A) satisfactory evidence that the surviving or successor corporation has an unenhanced securities rating by at least one nationally recognized rating agency on its outstanding long term unsecured debt at least equal to the unenhanced securities rating on the Bonds, (B) satisfactory evidence that the surviving or successor corporation is an organization described in Section 501(c)(3) of the Code, and (C) the written agreement of the surviving or successor corporation to assume all obligations of the University under the Loan Agreement; and

(iii) the Authority and the Trustee shall have received an opinion of nationally recognized bond counsel to the effect that the consummation of such merger, consolidation or transfer will not adversely affect any applicable exemption from federal income taxation of the interest payable on the Outstanding Bonds.

(b) The foregoing provisions shall not be deemed to prohibit the adoption or implementation by the University of a corporate reorganization plan pursuant to which a parent corporation or one or more subsidiaries of the University or its parent corporation may be established, provided that:

(i) the requirements of subsection (a)(iii) above are met with respect to any such reorganization; and

(ii) if all or substantially all of the University Facilities are to be transferred pursuant to the corporate reorganization plan, either (A) the transferee shall assume all obligations of the University under the Loan Agreement and shall be able to meet the conditions described under "THE LOAN AGREEMENT – Additional Indebtedness" for the incurrence of One Dollar of additional Long Term Indebtedness, in which case the University may be relieved of its obligations under the Loan Agreement and all provisions thereof regarding the University and its assets and revenues shall be applicable solely to the transferee and its assets and revenues, or (B) the University and the transferee shall be jointly and severally liable for all obligations of the University under the Loan Agreement and be able to meet, on a combined basis, the conditions described under "THE LOAN AGREEMENT – Additional Indebtedness" for the incurrence of One Dollar of additional Long Term Indebtedness.

<u>Tax Exempt Status of Bonds and University</u>. The University agrees that throughout the term of the Loan Agreement:

(a) it will not take any action or permit any action to be taken on its behalf, or cause or permit any circumstances within its control to arise or continue, if such action or circumstances would result in the revocation or impairment of its status as an organization described in Section 501(c)(3) of the Code or would cause the interest paid by the Authority on the Bonds to be subject to Federal income tax in the hands of the holders thereof;

(b) neither it nor any person related to it within the meaning of Section 144(a)(3) of the Code, pursuant to an arrangement, formal or informal, shall purchase bonds of the Authority in an amount related to the total amount payable under and secured by the Loan Agreement;

(c) it shall not carry on or permit to be carried on in the University Facilities or any other property now or hereafter owned by the University any trade or business the conduct of which would cause the interest paid by the Authority on the Bonds to be subject to Federal income tax in the hands of the holders thereof; and

(d) it shall operate its facilities on a nonsectarian basis, and no part of the University Facilities financed or refinanced with the proceeds of the Bonds shall be used for sectarian religious instruction or as a place of sectarian religious worship.

Compliance With Laws. Except as otherwise provided under "THE LOAN AGREEMENT – Further Agreements – Taxes, Charges and Assessments," the University shall, throughout the term of the Loan Agreement and at no expense to the Authority, promptly comply in all material respects or cause compliance in all material respects with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the University Facilities or to the repair and alteration thereof, or to the use or manner of use of the University Facilities.

Inspection of University Facilities. The University will permit the Trustee, the Authority and any duly authorized agent of the Trustee and the Authority at all reasonable times and at such reasonable intervals so as not to interfere with the operation of the University to enter upon, examine and inspect the University Facilities.

Taxes, Charges and Assessments. The University covenants and agrees, subject to the provisions under "THE LOAN AGREEMENT – Further Agreements – Permitted Contests," to pay or cause to be paid (before the same shall become delinquent):

(a) all taxes and charges on account of the use, occupancy or operation of the University Facilities, or the income therefrom, including, but not limited to, all sales, use, occupation, real and personal property taxes, all permit and inspection fees, occupation and license fees and all water, gas, electric light, power or other utility charges assessed or charged on or against the University Facilities or on account of the University's use or occupancy thereof or the activities conducted thereon or therein; and

(b) all taxes, assessments and impositions, general and special, ordinary and extraordinary, of every name and kind, which shall be taxed, levied, imposed or assessed during the term of the Loan Agreement upon all or any part of the University Facilities, or the interest of the Authority and of the University or either of them in and to the University Facilities, or upon the Authority and the University's interest, or the interest of either of them, in the Loan Agreement or the loan payments payable under the Loan Agreement.

If under applicable law any such tax, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, the University may exercise such option.

The University shall have the duty of making and filing all statements or reports which may be required under applicable law in connection with any such tax, charge, fee, rate, imposition or assessment, and the Authority agrees promptly to forward to the University any and all notices of or bills in connection with any such charge, fee, rate, imposition or assessment. The Authority grants to the University the right to use the name of the Authority, to the extent the use of the name of the Authority is permitted by or necessary under applicable law, in connection with any contest of the amount or validity of any tax, charge, fee, rate, imposition or assessment. If the provisions of any law, rule or regulation at the time in effect shall require such statements or reports to be executed and filed by the Authority or such proceedings to be brought by the Authority, the Authority shall at the request and expense of the University execute and file such statements or reports or, as the case may be, shall join in such proceedings, but the Authority shall not be subject to any liability for the payment of any costs or expenses in connection therewith, and the University covenants to indemnify and save the Authority harmless from such costs and expenses.

Permitted Contests. The University shall not be required to pay any tax, charge, assessment or imposition referred to under "THE LOAN AGREEMENT – Further Agreements – Taxes, Charges and Assessments," nor to comply with any law, ordinance, rule, order, regulation or requirement referred to under "THE LOAN AGREEMENT – Further Agreements – Compliance with Laws," so long as the University shall contest, in good faith and at its cost and expense, in its own name and behalf or in the name and behalf of the Authority, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, assessment, levy, fee, rent or charge so contested, or of the rent or any portion thereof, to satisfy the same; provided that if such contest shall subject the Authority or the Trustee to the risk of any liability, then, unless the Trustee receives an opinion of Counsel to the effect that neither the security interest granted under the Loan Agreement nor the University's title to or operation of the University Facilities will be materially impaired or subject to material loss or forfeiture, the University shall deposit with the Trustee a surety bond or funds, to be held in escrow covering the contested amount. If in the Trustee's opinion the interests of the Authority or the Bondholders become significantly imperiled by such contest, the Trustee is authorized, after written notice to the University, to use such escrowed funds to pay the contested obligations. While any such matters are pending, the Authority shall not pay, remove or cause to be discharged the tax, assessment, levy, fee, rent or charge being contested unless the University agrees to settle such contest. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of the University to settle any such contest), and in any event the University will indemnify and save harmless the Authority and the Trustee against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith). The Authority agrees to cooperate with the University, at the University's cost and expense, in any such contest.

Operation, Repairs, Maintenance and Alterations. The University will not throughout the term of the Loan Agreement allow any of its permits, rights, franchises or privileges to lapse or be forfeited so long as they are necessary for the ownership or operation of its facilities and properties as an institution for higher education, and it will take all action reasonably within its power to remain accredited by the principal accrediting organizations which have accredited it as of the date of the Loan Agreement. The University will throughout the term of the Loan Agreement at its own cost and expense keep the University Facilities in good repair and order, reasonable wear and tear excepted, and in as reasonably safe condition as its operation will permit and will make all necessary repairs thereto, interior and exterior, structural and nonstructural, ordinary as well as extraordinary and foreseen as well as unforeseen, and all necessary replacements or renewals.

Right of Authority or Trustee to Perform University's Covenants; Advances. In the event the University shall fail to make any payment or perform any other act required to be performed under the Loan Agreement, then and in each such case the Authority or the Trustee may (but shall not be obligated to) remedy such default for the account of the University and make advances for that purpose. No such performance or advance shall operate to release the University from any such default, and any sums so advanced by the Authority or the Trustee shall be repayable by the University on demand and shall bear interest at the Trustee's prime rate of interest, from the date of the advance until repaid.

Permitted Encumbrances. The University shall not create or suffer to be created or exist upon the University Facilities or the Gross Revenues any mortgage or other lien, security interest or other similar right or interest, servitude, easement, right-of-way, license, encumbrance, irregularity or defect in title, cloud on title, restriction, reservation or covenant running with the land (the forgoing being referred to collectively as "encumbrances"), other than the following:

(i) liens arising by reason of good faith deposits with the University in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the University to secure public or statutory obligations, or to secure or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(ii) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the University to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for institutions participating in such arrangements;

(iii) any judgment lien against the University so long as (A) the finality of such judgment is being contested in good faith and execution thereon is stayed, or (B) in the absence of such a contest and stay, such judgment lien will have no material adverse effect on the business, operation or general financial condition of the University and neither the University Facilities or the Gross Revenues will be subject to material impairment, loss or forfeiture;

(iv) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any portion of the University Facilities, to (A) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of such property for its intended purpose or materially and adversely affect the value thereof, or (B) purchase, condemn, appropriate or recapture, or designate a purchaser of such property;

(v) any liens on any portion of the University Facilities for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen and laborers for work or services performed or materials furnished in connection with such property (A) which are not due and payable or are not delinquent, (B) the amount or validity of which are being contested in good faith and on which execution is stayed or (C) the existence of which will have no material adverse effect on the business, operation or general financial condition of the University and will not subject the University Facilities to material impairment, loss or forfeiture;

(vi) any lease of any portion of the University Facilities which, in the judgment of the University, is reasonably necessary or appropriate for or incidental to the proper and economical operation of its property, taking into account the nature and terms of the lease and the nature and purposes of the property subject thereto;

(vii) easements, rights-of-way, restrictions and other minor defects, encumbrances, and irregularities in the title to any portion of the University Facilities which do not materially impair the use of such property for its intended purpose or materially and adversely affect the value thereof;

(viii) rights reserved to or vested in any municipality or public authority to control or regulate any portion of the University Facilities or to use such property in any manner, which rights do not materially impair the use of such property for its intended purposes or materially and adversely affect the value thereof;

(ix) any lien, security interest or other encumbrance which is existing on the date of the Loan Agreement; and

(x) any lien or security interest granted pursuant to the Loan Agreement.

Without limiting the foregoing, the University shall not create any liens or encumbrances on any of its assets or revenues for the purpose of securing indebtedness except in accordance with the Loan Agreement.

Investments. The University and the Authority agree that all moneys in any fund established by the Indenture may be invested in such Qualified Investments as the University may direct; provided, however, that (a) any investments made shall conform to the requirements of the Indenture, and (b) a copy of any investment directions given by the University to the Trustee shall be forwarded promptly to the Authority.

Insurance Requirements.

(a) The University shall at all times provide and maintain such types and amounts of insurance coverages under such insurance policies, or self-insurance programs, as are deemed reasonably necessary by the University, that such coverages, or self-insurance programs, shall be subject only to such deductible and co-insurance clauses as may be approved by the University, and that such coverages, or self-insurance programs, may be reduced or discontinued only if and to the extent that they are deemed to be unnecessary by the University. The University shall maintain all required insurance policies and bonds with such responsible insurance companies, or shall establish and maintain an alternative plan of self-insurance, or a combination of both, in each case, as is satisfactory to the University and qualified under the laws of the Commonwealth or State of Delaware to do business and assume the risks covered by such policies, or bonds, or, with respect to self-insurance, is in compliance with all applicable Commonwealth and State laws. Notwithstanding the foregoing, the University shall provide and maintain continuously public liability insurance and comprehensive automobile liability insurance, and excess liability insurance, protecting the Authority, the Trustee and the University, as their respective interests may appear, against liability for injuries to Persons and/or property, in such amounts as may be determined by the University. All insurance policies shall provide, so far as the same may be obtainable without the payment of additional premium, that the coverages afforded thereby shall not be reduced or cancelled without at least thirty (30) days' prior written notice to the University, the Authority and the Trustee.

(b) In the event of any damage to or destruction or condemnation (or conveyance in lieu of condemnation) of all or any portion of the University Facilities in excess of 5% of the net property, plant and equipment constituting the University Facilities, the net amount received in respect of any such occurrence shall be applied (i) to the reconstruction, replacement, or repair of the affected property or the acquisition or construction of additional University Facilities if, in the judgment of the University, such reconstruction, replacement, repair, acquisition or construction is practicable, financially feasible and reasonably necessary or desirable for the proper operation of the University Facilities, unless the net amount available for such application shall be sufficient to provide for the Extraordinary Redemption of all Outstanding Bonds, in which event the University shall be permitted to direct that such redemption be made without regard to the foregoing considerations, or (ii) if such reconstruction, replacement, repair, acquisition or construction is not practicable, financially feasible and reasonably necessary or desirable, in the judgment of the University, to the Extraordinary Redemption of Bonds pursuant to the Indenture. The University shall give written notice to the Authority and the Trustee of any such occurrence and of any proposed application of insurance proceeds, condemnation awards (or proceeds received upon a conveyance in lieu of condemnation), setting forth in reasonable detail the nature of the occurrence and the affected property, the net amount received in respect thereof and the basis for the University's determinations as to the practicability, financial feasibility, necessity and desirability of any reconstruction, replacement, repair of the affected property or the acquisition or construction of additional University Facilities. Any amounts in excess of 10% of the net property, plant and equipment constituting the University Facilities which are to be used for reconstruction, replacement, repair, acquisition or construction shall be deposited in the Project Fund for application toward such reconstruction, replacement, repair, acquisition or construction. Any amount less than 10% of the net property, plant and equipment constituting the University Facilities which are to be used for reconstruction, replacement, repair, acquisition or construction shall be paid to or retained by the University pending such application. Any amounts which are to be used for the Extraordinary Redemption of Bonds shall be deposited in the Redemption Fund for application toward such redemption. Any amount less than 5% of the net property, plant and equipment constituting the University Facilities received in respect of any damage to or destruction or condemnation (or conveyance in lieu of condemnation) of all or any portion of the University Facilities shall be applied by the University to any lawful purpose of the University.

University to Perform Certain Covenants Under Indenture. The University acknowledges that it has received an executed copy of the Indenture, and that it is familiar with its provisions, and agrees to be bound to the fullest extent permitted by law to all provisions thereof directly or indirectly relating to it, and that, in consideration of the loan made under the Loan Agreement, it will take all such actions as are required or contemplated of it under the Indenture to preserve and protect the rights of the Trustee and of the Bondholders thereunder and that it will not take or effect any action which would cause a default thereunder or jeopardize such rights. The University assumes and agrees to perform all of the covenants and other obligations of the Authority under the Indenture, excepting only any approval or consents permitted or required to be given by the Authority thereunder, and certain covenants contained in the Indenture which are not within the control of the University. However, nothing contained in the Loan Agreement shall prevent the Authority from choosing from time to time, in its discretion, to perform any of the covenants or other obligations assumed by the University.

No Personal Recourse Against Authority; Indemnification.

(a) In the exercise of the power of the Authority and its members, officers, employees and agents (an "Authority Representative") under the Loan Agreement including (without limiting the foregoing) the application of moneys and the investment of funds, neither the Authority nor any Authority Representative shall be accountable to the University for any action taken or omitted by it or them in good faith and reasonably believed by it or them to be authorized within the direction or rights or powers conferred upon it or them under the Loan

Agreement or under the Indenture. The Authority and Authority Representatives shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the University for any claims based on the Loan Agreement or on the Indenture against any Authority Representative alleging personal liability on the part of such person.

(b) The University will indemnify and hold harmless the Authority and Authority Representatives against any and all claims, losses, damages or liabilities, joint and several, and costs and expenses (including, without limitation, reasonable attorney's fees and expenses) to which the Authority or Authority Representatives may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise or are asserted to arise out of (i) any untrue statement of a material fact contained in any preliminary or final Official Statement (or amendments or supplements thereto) relating to the Bonds, (ii) the omission to state a material fact necessary to be stated in any preliminary or final Official Statement in order to make the statements therein not misleading, (iii) the 2014 Project, (iv) the University Facilities, or (iv) a breach by the University of, or its failure to perform, any of its representations, warranties, covenants, or undertakings under the Loan Agreement unless the losses, damages or liabilities arise from the bad faith, willful misconduct, fraud or deceit of the Authority Representative. In the event any such claim is made or action brought against the Authority, or any Authority Representative, the Authority may direct the University to assume the defense of the claim and any action brought thereon and pay all reasonable expenses incurred therein); or the Authority may assume the defense of any such claim or action, the reasonable costs of which shall be paid by the University; provided, however, that Counsel selected by the Authority to conduct such defense shall be approved by the University, which approval shall not be unreasonably withheld, and further provided that the University may engage its own Counsel to participate in the defense of any such action. The defense of any such claim shall include the taking of all actions necessary or appropriate thereto.

Tuition, Fees and Charges. The University shall establish, charge and collect tuition, other student fees, charges for the use and occupancy of educational facilities and charges for services provided by the University which will be sufficient in each Fiscal Year to provide (i) funds for the payment by the University of all its expenses during such Fiscal Year for the operation, maintenance and repair of the University Facilities and all other facilities of the University and (ii) Net Revenues Available for Debt Service at least equal to 100% of the Maximum Annual Debt Service Requirements. If for any two consecutive Fiscal Years for which the financial statements of the University have been reported upon by an Independent Public Accountant the Net Revenues Available for Debt Service are not at least equal to 100% of the Maximum Annual Debt Service Requirements, the University shall take such action as it deems appropriate to increase the Net Revenues Available for Debt Service for subsequent Fiscal Years of the University to at least 100% of the Maximum Annual Debt Service Requirements. So long as the University is taking such action as it deems appropriate to increase the Net Revenues Available for Debt Service for subsequent Fiscal Years of the University to at least 100% of the Maximum Annual Debt Service Requirements, the failure to increase the Net Revenues Available for Debt Service to the required level in any Fiscal Year will not be an Event of Default, provided that the University has paid all Debt Service Requirements on Long Term Indebtedness for such Fiscal Year when due.

Financial Statements. The University shall cause its financial statements for each Fiscal Year to be examined by a Independent Public Accountant. Such financial statements and the Independent Public Accountant's report thereon shall be furnished to the Authority and the Trustee within 120 days after the end of the Fiscal Year to which they relate. Such financial statements and reports shall be accompanied by a letter from the Independent Public Accountant to the effect that in the course of examining the University's financial statements, nothing came to its attention that would lead it to believe that an Event of Default has occurred and was continuing as of the last day of such Fiscal Year and a University Representative's certificate stating whether the University is in default in the performance of any of its obligations under the Loan Agreement and, if any such default has occurred, setting forth the actions being taken by the University to remedy the same.

Indemnification of the Trustee. The University shall at all times indemnify the Trustee from all liabilities, claims, causes of action, costs and expenses (including, without limitation, reasonable attorney's fees and expenses) imposed upon or asserted against the Trustee, except as a result of its gross negligence or willful misconduct, on account of any actions taken or omitted to be taken by the Trustee relating to or arising out of the Loan Agreement, the Indenture or the Bonds.

Bonds Not to Become Arbitrage Bonds.

(a) As provided in the Indenture, the Trustee will invest moneys held by the Trustee as directed by the University. The Authority and the University covenant with each other and with the holders of the Bonds that, notwithstanding any other provision of the Loan Agreement or any other instrument, they will neither make nor instruct the Trustee to make any investment or other use of the proceeds of the Bonds, or take or omit to take any other action which would cause the Bonds to be arbitrage bonds under Section 148 of the Code and the regulations thereunder, and that they will comply with the requirements of the Code and regulations throughout the terms of the Bonds.

(b) Not later than 45 days after each "computation date" (hereinafter defined) for each series of Bonds, the University shall provide to the Trustee a written statement, with appropriate supporting schedules, of the amount, if any, determined as of such computation date to be payable to the United States government with respect to each such series of Bonds pursuant to Section 148(f) of the Code, which written statement and supporting schedules may be prepared by the University or by an accounting, consulting or financial advisory firm retained by it for such purpose. If any such statement indicates that a payment is required to be made under Section 148(f) of the Code, it shall be accompanied by sufficient funds (for deposit in the Rebate Fund) to make such payment and such related documentation as may be required to be filed with such payment. The University shall retain records of all determinations made pursuant to the foregoing with regard to each series of Bonds until six years after the retirement of the last Bond of such series. For the purposes of the foregoing, the "computation dates" for each series of Bonds shall be: (i) in the case of the 2014 Bonds, June 30, 2015, and June 30 of each fifth year thereafter until all 2014 Bonds are retired and the date on which the last 2014 Bond is retired; and (ii) in the case of each series of Additional Bonds hereafter issued, such dates as are specified in the applicable Supplemental Indenture in accordance with Section 148(f) of the Code.

Events of Default and Remedies

Events of Default. Each of the following shall constitute an Event of Default under the Loan Agreement:

(a) if the University fails to make any payment required by the Loan Agreement described under "THE LOAN AGREEMENT – Payments – Payments Under Loan Agreement" within five (5) days after the same shall become due and payable; or

(b) if the University fails to make any other payment or deposit required under the Loan Agreement within sixty (60) days of the due date thereof; or

(c) if the University fails to perform any of its other covenants, conditions or provisions under the Loan Agreement;

(d) upon the institution or commencement of a Bankruptcy Proceeding by or against the University, and if involuntary or instituted against the University, such Bankruptcy Proceeding is not vacated, dismissed or stayed on appeal within sixty (60) days.

Notice of Defaults; Opportunity to Cure Such Defaults. No default under paragraph (c) above shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given to the University by the Authority, the Trustee and the University shall have had 30 days after receipt of such notice to correct the default and shall not have corrected it; provided, however, if the default cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the University within the applicable period and diligently pursued until the default is corrected.

Remedies. If any Event of Default shall occur and be continuing, the Authority may at its option exercise any one or more of the following remedies:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Authority, and require the University to carry out any agreements with or for the benefit of the Bondholders and to perform its duties under the Act or the Loan Agreement; or

(b) by action or suit in equity require the University to account as if it were the trustee of an express trust for the Authority; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Authority; or

(d) upon the filing of a suit or other commencement of judicial proceeding to enforce the rights of the Trustee and the Bondholders, have appointed a receiver or receivers of the trust estate, with such powers as the court making such appointment shall confer, provided, however, that the Authority consents to the transfer to the extent permitted by law of any net income after the payment of repair (including replacements), maintenance and operation of the University Facilities, including debt service on the Bonds; or

(e) Upon notice to the University, to accelerate the due dates of all sums due or to become due under the Loan Agreement.

Amendments

The Loan Agreement may be amended by the parties thereto subject to the provisions of the Indenture.

THE INDENTURE

Pledge and Assignment

Under the Indenture, the Authority pledges and grants to the Trustee substantially all of its right, title and interest in and to the Loan Agreement, all funds (except the Rebate Fund), accounts and revenues established under the Indenture.

Additional Bonds

The Authority may issue one or more series of Additional Bonds from time to time and lend the proceeds thereof to the University pursuant to the Loan Agreement to provide funds for the Cost of undertaking or completing a Project or the Cost of refunding all or a portion of the Outstanding Bonds of any one or more series or of any Long Term Indebtedness other than Bonds. The Trustee shall authenticate and deliver such Additional Bonds at the request of the Authority, but only upon compliance with the requirements set forth in the Loan Agreement and upon delivery to the Trustee of:

(a) An opinion or opinions of Counsel to the effect that (i) the Additional Bonds have been duly issued for a permitted purpose under the Loan Agreement, (ii) the documents delivered by the Authority and the University in connection with the issuance of the Additional Bonds have been duly and validly authorized, executed and delivered and such execution and delivery and all other actions taken by the Authority and the University in connection with the issuance of the Additional Bonds have been duly authorized by all necessary corporate actions, and (iii) all conditions precedent to the issuance of the Additional Bonds pursuant to the Indenture have been satisfied.

(b) In the case of Additional Bonds issued to finance the Cost of any Capital Addition, a University Certificate: (i) stating that the construction and renovation work included in the Capital Addition can be undertaken and completed in accordance with sound architectural and engineering practices and that all necessary plans and specifications therefor have been approved by all Regulatory Bodies whose approval is required as of the date of issuance of the Additional Bonds; (ii) stating that all permits and approvals then required to be in effect for the construction and renovation work included in the Capital Addition have been obtained and no facts or circumstances are known to the University which would prevent the timely issuance of all other necessary permits and approvals; (iii) setting forth in reasonable detail the items of Cost relating to the construction or renovation work included in the Capital Addition and stating that such items of Cost are reasonable; and (iv) demonstrating the adequacy for the payment of all such Costs of the Additional Bond proceeds, together with other available funds deposited with the Trustee and the investment income reasonably expected to be earned on such proceeds and other available funds.

(c) In the case of any Additional Bonds issued for the purpose of a refunding:

(i) executed counterparts of such documents as are necessary or appropriate for the purposes of the refunding, including, if appropriate, an escrow agreement providing for the deposit and application of funds for the refunding and irrevocable instructions with respect to any required redemption of refunded Bonds or other Long Term Indebtedness;

(ii) Certified Resolutions of the Authority and the University authorizing the refunding and the taking of all necessary actions in connection therewith; and

(iii) A University Certificate setting forth in reasonable detail the Costs of the refunding and demonstrating the adequacy for the payment of such Costs of the Additional Bond proceeds, together with other available funds then on deposit with the Trustee and the investment income reasonably expected to be earned on such proceeds and other available funds.

(d) A University Certificate certifying that the University met the requirements set forth in the Loan Agreement described under "THE LOAN AGREEMENT – Additional Indebtedness and Security Therefor – Long Term Indebtedness – General Provisions" for the Fiscal Year immediately preceding the date of the issuance of the Additional Bonds.

Upon the issuance and delivery of any series of Additional Bonds issued, the Bond proceeds and other amounts received by the Trustee shall be deposited in the Project Fund established for the Project for which the Bonds of such series were issued (unless the purpose is a refunding, in which case the proceeds and any other amounts to be added thereto shall be deposited in a redemption fund especially established for the purpose); except that any portion of such proceeds representing accrued or prepaid (capitalized) interest on Bonds shall be deposited in the Bond Fund, and if such Additional Bonds are to be secured by the Debt Service Reserve Fund, the portion of such proceeds representing the Reserve Fund Requirement for such Additional Bonds shall be deposited in the Debt Service Reserve Fund.

Project Fund

The Trustee shall establish a Project Fund for the payment of Costs of Projects. The Project Fund shall consist of the amounts required or permitted to be deposited therein pursuant to any provision of the Indenture or of the Loan Agreement, which amounts shall be held for the security of all Outstanding Bonds. Separate Project Funds or accounts within a given Project Fund shall be maintained by the Trustee if the Authority or the University determines that separate Project Funds or accounts are desirable with respect to particular Projects or designated portions of Projects.

Revenue Fund

The Trustee shall establish a Revenue Fund, into which it shall deposit all payments made pursuant to the Loan Agreement, and any other amounts required or permitted to be deposited therein pursuant to the provisions of the Indenture. On the last business day preceding any required or permitted payment from the Bond Fund pursuant to the Indenture, an amount equal to such payment shall be transferred from the Revenue Fund to the Bond Fund.

Bond Fund

The Trustee shall establish and maintain a Bond Fund, the moneys on deposit within which shall be applied as follows:

(a) to the payment of interest, when due, on all Outstanding Bonds, including any accrued interest due in connection with purchases or redemptions of Bonds pursuant to the Indenture;

(b) to the payment, when due, of the principal or Redemption Price of Bonds then payable at maturity or upon Mandatory Redemption (but only upon surrender of such Bonds), subject to reduction by the principal amount of Bonds of the same series and maturity purchased by the University and surrendered to the Trustee for cancellation or purchased for cancellation by the Trustee pursuant to the Redemption Fund as described under "THE INDENTURE – Redemption Fund"; and

(c) during the 12 month period preceding each principal maturity or Mandatory Redemption date, the Trustee shall, at the request of the University, purchase Bonds of the series and maturity becoming due on such principal maturity or Mandatory Redemption date from funds transferred from the Revenue Fund to the Bond Fund for such purpose; provided, however, that no such purchase shall be made unless (i) the purchase price does not exceed 100% of the principal amount of the Bonds so to be purchased, (ii) in the case of any purchase of Bonds which are subject to Mandatory Redemption, firm commitments for the purchase of such Bonds shall have been accepted at least 15 days prior to the giving of notice of such redemption by the Trustee, and (iii) upon the making of any transfer of moneys from the Revenue Fund to the Bond Fund in connection with the proposed purchase, there shall be no deficiency in the Revenue Fund, taking into account the amounts then required to be paid or transferred therefrom for other purposes or reserved therein against such payments and transfers.

Debt Service Reserve Fund

(a) The Indenture provides for the establishment of a Debt Service Reserve Fund and provides that Bonds of a series may be secured by the Debt Service Reserve Fund if so specified in the applicable Supplemental Indenture. The 2013 Bonds, the 2013A Bonds and the 2014 Bonds are not secured by the Debt Service Reserve Fund, and no moneys will be on deposit in the Debt Service Reserve Fund as of the date of issuance of the 2014 Bonds.

In connection with the issuance of any Additional Bonds which are to be secured by the Debt Service Reserve Fund, the balance in the Debt Service Reserve Fund shall be increased to an amount equal to the Reserve Fund Requirement for all Bonds then to be Outstanding which are to be secured by the Debt Service Reserve Fund, including, if applicable, the Additional Bonds then being issued, which increase shall be made at settlement for the Additional Bonds.

(b) The amount of any withdrawal for the purpose of paragraph (b)(i) below shall be restored in no more than twelve (12) substantially equal, consecutive, monthly installments, each payable on the last business day of the month, commencing with the month following the month in which the withdrawal is made; provided that, if any withdrawal is made and if, prior to the restoration of the amount withdrawn, an additional withdrawal is made, such additional withdrawal shall be restored in substantially equal monthly installments over the remainder of the restoration period for the initial withdrawal. In addition, if the value of the Debt Service Reserve Fund is less than 90% of the Reserve Fund Requirement, the difference between such Reserve Fund Requirement and the value of the Debt Service Reserve Fund shall be restored within 12 months from the date on which the valuation revealing the deficiency is made.

(c) Moneys on deposit in the Debt Service Reserve Fund shall be applied as follows:

(i) On the date of each permitted or required payment from the Bond Fund, moneys in the Debt Service Reserve Fund shall be applied to cure any deficiency in the Bond Fund with respect to Bonds secured by the Debt Service Reserve Fund;

(ii) At the time of valuation, any amount in the Debt Service Reserve Fund in excess of the Reserve Fund Requirement shall be transferred to the Revenue Fund, and at the option of the University, credited to either principal payments or interest payments in respect of the Bonds, except that during the construction period for any Project, such portion of the excess as may be necessary to cure a deficiency in the Project Fund shall, at the direction of the University, be transferred thereto; and

(iii) In addition to the foregoing in each month during the twelve months preceding the final maturity date of any series of Bonds secured by the Debt Service Reserve Fund (which does not include the 2014 Bonds), moneys held in the Debt Service Reserve Fund shall be credited against the payment of principal of and interest on such series of Bonds and the amounts so credited shall be transferred to the Bond Fund as needed for the payment of such principal and interest; provided, however, that no such credit shall be given and no such transfer shall be made if and to the extent that, immediately prior to such crediting and transfer, the amount on deposit in the Debt Service Reserve Fund is not at least equal to the Reserve Fund Requirement, less the amounts previously transferred to the Bond Fund during such twelve month period pursuant to this subparagraph (iii).

(d) In connection with the issuance of Additional Bonds under the Indenture, the Trustee may establish such debt service reserve funds or other reserve funds as may be provided in, and under such conditions as may be set forth in, any Supplemental Indenture relating to such Additional Bonds. No such debt service reserve fund or other reserve fund has been established under the Indenture for the 2013 Bonds, the 2013A Bonds or the 2014 Bonds.

Redemption Fund

The Trustee shall establish a Redemption Fund into which it shall deposit such amounts as are required or permitted to be deposited therein pursuant to the provisions of the Loan Agreement or the Indenture. Moneys in the Redemption Fund shall be applied to the Optional or Extraordinary Redemption of Bonds pursuant to the Indenture.

Rebate Fund

The Trustee shall establish and thereafter maintain, so long as any Bonds are Outstanding, a Rebate Fund for each series of Bonds, which shall be held separate and apart from all other funds and accounts established under the Indenture and from all other moneys of the Trustee and which shall not be subject to the lien of the Indenture.

Payments, etc., to be Sufficient

The Authority shall fix the payments under the Loan Agreement and other fees and charges derived from the University so that the Pledged Revenues will be sufficient in each Fiscal Year to provide for the payment, when due, of all Administrative Expenses and the principal or redemption price of and interest on the Bonds and to provide for all other deposits and other payments required to made under the Indenture.

Pledged Revenues to Be Paid Over to Trustee

The pledge of the Pledged Revenues as security for the performance of all obligations of the Authority under the Loan Agreement shall be valid and binding from the time such pledge is made. The Pledged Revenues shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act. Pursuant to the assignment of the Authority's rights under the Loan Agreement, the Pledged Revenues shall be paid directly to the Trustee by the University. Upon receipt of any Pledged Revenues or other payments under the Indenture, the Trustee shall deposit the same in the appropriate Fund or Funds established under the Indenture. Except as otherwise provided in the Indenture, the Pledged Revenues shall be collected, held and applied for the equal and ratable benefit and security of all Bondholders.

Procedure When Funds Are Sufficient to Pay All Bonds

If at any time the amounts held by the Trustee in the Funds established under the Indenture (other than the Rebate Fund) are sufficient to pay principal or redemption price of and interest on all Bonds then Outstanding to maturity or prior redemption, together with any amounts due the Authority and the Trustee, the Trustee shall so notify the Authority and apply the amounts in the Funds to the payment of the aforesaid obligations and the Authority shall not be required to pay over any further revenues unless and until it shall appear that there is a deficiency in the Funds held by the Trustee.

Moneys to Be Held for All Bondholders, With Certain Exceptions

Until applied as provided in the Indenture, moneys and investments held in all Funds and Accounts (other than the Rebate Fund) established under the Indenture shall be held in trust for the benefit of the holders of all Outstanding Bonds, except that: (a) on and after the date on which the interest on or principal or redemption price of any particular Bond or Bonds is due and payable from the Bond Fund or Redemption Fund, the unexpended balance of the amount deposited or reserved in either or both of such Funds for the making of such payments shall, to the extent necessary therefor, be held for the benefit of the Bondholder or Bondholders entitled thereto; (b) any special redemption fund established in connection with the issuance of any Additional Bonds for a refunding shall be held for the benefit of the holders of Bonds being refunded; (c) the rights of any Bondholders with respect to principal or interest payments extended beyond their due dates pursuant to the Indenture hereof shall be subordinate to the rights of Bondholders with respect to payments not so extended; and (d) the moneys on deposit in the Debt Service Reserve Fund shall not be available to pay any portion of the principal or redemption price of or the interest on any Bonds other than Bonds secured by the Debt Service Reserve Fund (which does not include the 2014 Bonds).

Investments

All moneys received by the Trustee under the Indenture for deposit in any Fund established under the Indenture shall be considered trust funds, shall not be subject to lien or attachment and shall, except as thereinafter provided, be deposited in the commercial department of the Trustee, until or unless invested or deposited as provided in the Indenture. All deposits in the commercial department of the Trustee shall, to the extent not insured, be fully secured as to principal by Government Obligations having an aggregate market value at least equal to the amount of such deposits. Subject to the foregoing requirements as to security, if at any time the commercial department of the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive and secure them as aforesaid and the deposits of which are insured by the Federal Deposit Insurance Corporation. All security for deposits shall be perfected in such manner as may be required or permitted under applicable law in order to grant to the Trustee a perfected security interest in such Government Obligations, free and clear of the claims of third parties. If the deposit of the Government Obligations with the Trustee or a depositary acting on its behalf is required for such purpose under applicable law, the deposit shall be made with a Federal Reserve Bank, with the trust department of the Trustee, or with a bank or trust company having a combined net capital and surplus of not less than $100,000,000.

Moneys on deposit in the Funds established pursuant to the Indenture shall be invested and reinvested by the Trustee as follows:

(a) All investments shall constitute Qualified Investments and shall mature, or be subject to repurchase, withdrawal without penalty or redemption at the option of the holder on or before the dates on which the amounts invested are reasonably expected to be needed for the purposes of the Indenture.

(b) All investments shall be made at the direction of the University (given in writing or orally, confirmed in writing) or, in the absence of such direction, at the discretion of the Trustee. If the University shall not give directions as to investment of money held by the Trustee, or if an Event of Default has occurred and is continuing under the Indenture, the Trustee shall make such investments in Qualified Investments as are permitted under applicable law and as it deems advisable. The Trustee shall be permitted to charge to the University its standard fees and all expenses in connection with any services performed in accordance with this paragraph. The Authority agrees to cause the University to pay to the Trustee all such fees and expenses promptly upon the Trustee's request therefor.

(c) The principal of the Qualified Investments and the interest, income and gains received in respect thereof shall be applied as follows: (i) unless otherwise provided in an applicable Supplemental Indenture, during the construction period for any Project, all interest, income and profits received in respect of the Qualified Investments or upon the sale or other disposition thereof shall (after deduction of any losses) be retained in or transferred to the Project Fund and, after the completion of such construction, shall be retained in or transferred to the Revenue Fund and credited against subsequent deposit requirements in equal amounts in each month; and (ii) whenever any other transfer or payment is required to be made from any particular Fund, such transfer or payment shall be made from such combination of maturing principal, redemption or repurchase prices, liquidation proceeds and withdrawals of principal as the Trustee deems appropriate for such purpose.

(d) Neither the Authority nor the Trustee shall be accountable for any depreciation in the value of the Qualified Investments or any losses incurred upon any authorized disposition thereof.

Covenants of Authority

Payment of Principal and Interest on Bonds. The Authority shall promptly pay or cause to be paid the interest on and the principal of every Bond issued under the Indenture according to the terms thereof, but only out of the Pledged Revenues and only in the manner set forth in the Indenture.

Enforcement, Execution and Amendment of Loan Agreement. The Authority shall honor all of its obligations under the Loan Agreement, and shall require the University to perform all of its contractual obligations and covenants under the Loan Agreement. So long as no Event of Default under the Indenture shall have occurred and be continuing, the Authority may exercise all its rights under the Loan Agreement, but the Authority shall not amend the Loan Agreement except as provided under "– Amendments and Supplements – Amendments to the Loan Agreement without Consent of Bondholders" below. The Authority shall file with the Trustee copies of the Loan Agreement, together with all amendments or supplements thereto, whether or not the Trustee's consent is required thereto, and shall give prompt notice to the Trustee of any default by any of the parties thereto except defaults of minor importance to the interests of the Authority therein.

Extension of Time for Payment. The Authority shall not directly or indirectly extend or assent to the extension of the time for payment of the principal of or interest on any Bond and shall not directly or indirectly be a party to or approve any arrangement therefor. Notwithstanding the foregoing, the holder of any Bond may extend the time for payment of the principal of or interest on such Bond; provided, however, that upon the occurrence of an Event of Default, funds available under the Indenture for the payment of the principal of and interest on the Bonds shall not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full.

Financing Statements and Other Action to Protect Security Interests. The Indenture shall constitute a security agreement within the meaning of the Pennsylvania Uniform Commercial Code and the Authority's obligations under the Indenture shall be secured pursuant to such Code by the security interests therein granted with respect to the Authority's right, title and interest in and to the Loan Agreement, all funds and accounts established thereunder and in all Pledged Revenues. The Authority shall cause the Indenture or an appropriate financing statement or memorandum to be filed, registered and recorded in such manner and at such places as may be required by law fully to protect the security of the holders of the Bonds and the right, title and interest of the Trustee in and to the trust estate or any part thereof. Concurrently with the execution and delivery thereof and thereafter from time to time, as reasonably requested by the Trustee, the Authority shall obtain or cause to be obtained an opinion of Counsel and furnish a signed copy thereof to the Trustee, setting forth what actions, if any, by the Authority or Trustee should be taken to preserve such security. The Authority shall perform or shall cause to be performed any such acts, and execute and cause to be executed any and all further instruments as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the Trustee and the Bondholders, and shall furnish satisfactory evidence to the Trustee for such protection of the interests of the Trustee and the Bondholders, and shall furnish satisfactory evidence to the Trustee of recording, registering, filing and refiling of such instrument and of every additional instrument which shall be necessary to preserve the lien of the Indenture upon the trust estate or any part thereof until the principal of and interest on the Bonds secured under the Indenture shall have been paid. The Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as it may be advised by an opinion of Counsel will preserve the lien of the Indenture upon the trust estate or any part thereof until the aforesaid principal shall have been paid.

Further Assurances; Additional Revenues. The Authority shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture. If at any time the Authority, as lender pursuant to the Loan Agreement, receives any income or payment from or in respect of the Loan Agreement, it shall promptly pay the same to the Trustee for deposit in the Revenue Fund and, at the request of the Trustee, shall execute and deliver an assignment of its right, title and interest in and to future income or payments of the same type to the Trustee to be held as part of Pledged Revenues and file or record such assignment as may be appropriate to perfect the security interest created thereby, provided, however, this sentence of this paragraph shall not apply to the Administrative Expenses or Annual Administrative Fee of the Authority.

Compliance with Internal Revenue Code.

(a) The Authority covenants that it will make no investment or other use of the proceeds of any series of Bonds issued under the Indenture which would cause such series of Tax-Exempt Bonds to be "arbitrage bonds" as that term is defined in Section 148(a) of the Code, and all applicable regulations promulgated with respect thereto, and that it will comply with the requirements of the Code section and regulations throughout the term of such series of Tax-Exempt Bonds. The Trustee covenants that in those instances where it exercises discretion over the investment of funds, it shall not knowingly make any investment inconsistent with the foregoing covenants.

(b) The Authority covenants that it shall not sell its bonds or cause them to be sold to any Person (or any related person as defined in Section 144(a)(3) of the Code) from whom the Authority may acquire "acquired purpose obligations" as defined in the regulations referred to in (a) pursuant to any arrangement, formal or informal, in an amount related to the amount of "acquired purpose obligations" to be acquired from such Person.

Events of Default and Remedies

Events of Default.

(a) Each of the following shall be an "Event of Default" under the Indenture:

(i) Failure to pay the principal or Redemption Price of any Bond when the same shall become due and payable at maturity, upon redemption or otherwise; or

(ii) Failure to pay an installment of interest on any Bond when the same shall become due and payable; or

(iii) If the University shall fail to pay, when due and payable, any sum due pursuant to the provisions of the Loan Agreement and such failure continues to exist as of the expiration of any grace period provided in the Loan Agreement; or

(iv) If any other event of default under the Loan Agreement shall occur and be continuing; or

(v) If the Authority fails to comply with any provision of the Act which renders it incapable of fulfilling its obligations under the Indenture or the Act; or

(vi) If the Authority fails to perform any of its covenants, conditions, agreements and provisions contained in the Bonds or in the Indenture (other than as specified in (i) and (ii) above).

In determining whether an Event of Default under clauses (i) or (ii) above has occurred, no effect shall be given to amounts withdrawn under the Debt Service Reserve Fund and applied to such payments.

(b) The Trustee shall notify the Authority, the University and the holders of all Bonds Outstanding immediately of the occurrence of any Event of Default, except that in the case of an Event of Default described in clause (iv), (v) or (vi) of subsection (a) above, the Trustee may withhold notice from the Bondholders, if the Trustee in good faith determines that such withholding is in the interest of the Bondholders.

Notice of Default; Opportunity to Cure Such Default. No default under (a)(iv), (v) or (vi) above shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given to the Authority and the University by the Trustee or the holders of not less than a majority in aggregate principal amount of all Bonds Outstanding and until the Authority and the University shall have had 30 days after receipt of such notice to correct such default, and shall not have corrected it; provided, however, if said default be such that it cannot be corrected within such 30 day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or the University within such 30 day period and is diligently pursued to completion by the Authority or the University.

Acceleration; Cure. Should any Event of Default occur and be continuing, then the Trustee may, and at the written direction of not less than a majority in principal amount of Bonds then Outstanding, shall, by notice in writing to the Authority and the University, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon such declaration the said principal, together with interest accrued thereon, shall become due and payable immediately at the place of payment provided therein without any presentment, demand, protest or other notice of any kind, all of which are expressly waived; provided, however, that no such declaration shall be made if the University cures such Event of Default prior to the date of the declaration.

The above provisions, however, are subject to the condition that if, after the principal of the Bonds shall have been so declared to be due and payable, all arrears of interest upon the Bonds, and all other sums payable under the Indenture (except the principal of, and interest on, the Bonds which by such declaration shall have become due and payable) shall have been paid by or on behalf of the Authority, and the Authority also shall have performed all other things in respect of which it may have been in default under the Indenture, and shall have paid the reasonable charges of the Trustee, its counsel and the Bondholders, including reasonable attorneys' fees paid or incurred, then and in every such case, the Trustee may annul such declaration and its consequences and such annulment shall be binding upon the Trustee and upon all holders of Bonds issued under the Indenture; but no such waiver, rescission and annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon.

Powers of Trustee.

(a) Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and upon the written request of the holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding under the Indenture, shall, proceed to protect and enforce its rights and the rights of the Bondholders under the laws of the Commonwealth of Pennsylvania and under the Loan Agreement and the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant, condition or agreement contained therein or in aid of execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

(b) Upon the occurrence and continuance of an Event of Default and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the 2014 Project Facilities and of the rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

(c) The Trustee may maintain any proceedings without the possession of any of the Bonds or the production thereof in connection with said proceeding.

(d) If any proceeding taken by the Trustee on account of any Event of Default is discontinued or abandoned for any reason, or determined adversely to the Trustee, then and in every case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Powers of Bondholders. Anything in the Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Indenture.

Limitations on Actions by Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Indenture, or any other remedy under the Indenture or on the Bonds, unless:

(a) the Trustee shall have been given written notice of an Event of Default;

(b) the holders of not less than 25 percent in aggregate principal amount of the Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers described above granted or to pursue such remedy in its or their name or names;

(c) there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and

(d) the Trustee shall have refused or neglected to comply with such, request within a reasonable time.

(e) Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Indenture or to any other remedy under the Indenture; it being understood and intended that no Bondholder shall have any right in any manner whatever by his action to affect, disturb or prejudice the security of the Indenture, or to enforce any right under the Indenture or under the Bonds, except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the equal and ratable benefit of all holders of Outstanding Bonds affected thereby, subject to the provisions of the Indenture. Nothing in the Indenture contained shall, however, affect or impair the right of any Bondholder to institute suit for the enforcement of payment of the principal of and the premium, if any, and interest on such Bond when due and payable in accordance with its terms, upon redemption or otherwise.

Application of Moneys. Any moneys on deposit in any Fund or Account established under the Indenture and any moneys received by the Trustee described under "THE INDENTURE – Events of Default and Remedies," shall be applied as follows:

First: to the payment of the costs of the Trustee, including counsel fees, any disbursements of the Trustee with interest thereon and its reasonable compensation;

Second: subject to the provisions of the Indenture, to the payment of all interest then due or overdue on Outstanding Bonds or, if the amount available before the payment of interest is insufficient for such purpose, to the payment of interest ratably in accordance with the amount due in respect of each Bond; and

Third: subject to the provisions of the Indenture, to the payment of the outstanding principal amount due or overdue, by acceleration or otherwise, with respect to all Bonds or, if the amount available for the payment of principal is insufficient for such purpose, to the payment of principal ratably in accordance with the amount due in respect of each Bond.

Fourth: to the payment of all the costs of, and all other amounts due to, the Authority under the Indenture or under the Loan Agreement, including counsel fees.

The surplus, if any, shall be deposited in the Debt Service Reserve Fund to the extent of any deficiency therein, and remaining funds shall be paid to the University or the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Notwithstanding the foregoing, (a) amounts on deposit in the Debt Service Reserve Fund shall not be applied to pay the principal of or interest on Bonds which are not secured by the Debt Service Reserve Fund, and (b) for purposes of clauses Second and Third above, amounts paid with respect to Bonds secured by the Debt Service Reserve Fund from amounts on deposit in the Debt Service Reserve Fund shall be deemed to be due or overdue for purposes of the ratable application of amounts received by the Trustee pursuant to the exercise of remedies under the Indenture.

University's Right of Possession and Use of 2014 Project Facilities. So long as the University is in full compliance with the terms and provisions of the Loan Agreement, the University shall be entitled to possess, use, operate and enjoy the properties and appurtenances constituting the 2014 Project Facilities without interference from, or entry on the 2014 Project Facilities by, and free from claims of, the Authority and the Trustee or persons claiming by, through or under them.

Remedies Additional to Remedies in Agreement. The remedies in the Indenture shall be in addition to all remedies provided for in the Loan Agreement, which remedies are incorporated by reference.

Amendments And Supplements

Amendments and Supplements Without Bondholders' Consent. The Indenture may be amended or supplemented from time to time, without the consent of the Bondholders, by a Supplemental Indenture for one or more of the following purposes:

(a) in connection with the issuance of Additional Bonds, to set forth such matters as are specifically required or permitted under the Indenture or such other matters as will not adversely affect the holders of the Bonds then Outstanding;

(b) to add additional covenants of the Authority or to surrender any right or power conferred upon the Authority;

(c) to add, revise or remove provisions relating to the payment of arbitrage rebate to the United States, provided that the Trustee receives a written opinion of nationally recognized bond counsel to the effect that the amendment will not adversely affect the exclusion from federal income taxation of the interest on any Bonds then Outstanding;

(d) to make conforming changes in connection with any changes to the Loan Agreement; and

(e) to cure any ambiguity or to cure, correct or supplement any defective (whether because of any inconsistency with any other provision or otherwise) provision of the Indenture in such manner as shall not be inconsistent with the Indenture (which actions shall supersede any actions taken by the Trustee under the Indenture) and shall not impair the security thereof or adversely affect the Bondholders.

Amendments With Bondholders' Consent. The Indenture may be amended or supplemented from time to time by a Supplemental Indenture approved by the holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided, that (a) no amendment shall be made which adversely affects one or more but less than all series of Bonds without the consent of the holders of not less than a majority of the then Outstanding Bonds of each series so affected, (b) no amendment shall be made which affects the rights of some but less than all the Outstanding Bonds of any one series without the consent of the holders of not less than a majority of the Bonds so affected, and (c) no amendment which alters the interest rates on any Bonds, the maturities, interest payment dates or redemption provisions of any Bonds, the provisions in the Indenture relating to Events of Defaults and Remedies or the security provisions under the Indenture may be made without the consent of the holders of all Outstanding Bonds adversely affected thereby.

Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join with the Authority in the execution and delivery of any Supplemental Indenture or amendment permitted by the Indenture and in so doing shall be fully protected by an opinion of Counsel that such Supplemental Indenture or amendment is so permitted and has been duly authorized by the Authority and that all things necessary to make it a valid and binding agreement have been done.

Amendments to the Loan Agreement without Consent of Bondholders. The Authority and the University may, without the consent of or notice to the Bondholders, but with prior written consent of the Trustee, amend, change or modify the Loan Agreement as may be required (a) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Loan Agreement, (b) in connection with the issuance of Additional Bonds, to provide for a loan of the proceeds of such Additional Bonds to be made to and repaid by the University, to set forth such matters as are permitted or required under the Indenture in connection with such issuance or to set forth such other matters as will not adversely affect the holders of the Bonds then Outstanding, or (c) in connection with any other change in the Loan Agreement which, in the judgment of the Trustee in reliance upon an opinion of Counsel, does not materially adversely affect the rights of the holders of any Bonds.

Amendments to the Loan Agreement with Consent of Bondholders. Except for amendments, changes or modifications as provided in the Indenture, neither the Authority nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement or waive any obligation or duty of the University under the Loan Agreement without the written consent of the holders of not less than 51 percent in aggregate principal amount of the Outstanding Bonds affected thereby; provided, however, that no such waiver, amendment, change or modification shall permit termination or cancellation of the Loan Agreement or any reduction of the amounts payable under the Loan Agreement or change the date when such payments are due without the consent of the holders of all the Bonds then Outstanding.

Defeasance

Defeasance. When interest on, and principal or Redemption Price (as the case may be) of, all Bonds issued under the Indenture have been paid, or there shall have been deposited with the Trustee an amount, evidenced by moneys or non-callable Government Obligations, the principal of and interest on which, when due, will provide sufficient moneys to fully pay the Bonds at the maturity date or date fixed for redemption thereof, as well as all other sums payable under the Indenture by the Authority, the right, title and interest of the Trustee shall thereupon cease and the Trustee, on demand of the Authority, shall release the Indenture and shall execute such documents to evidence such release as may be reasonably required by the Authority and shall turn over to the Authority or to such other Person as may be entitled to receive the same all balances remaining in any funds under the Indenture; provided, however, that the Trustee shall take such action only upon receipt of an opinion of nationally recognized bond counsel to the effect that payment of such Bonds has been provided for in the manner set forth in the Indenture and that all obligations of the Authority and the University with respect to such Bonds have been discharged and satisfied.

Deposit of Funds for Payment of Bonds.

(a) If the Authority deposits with the Trustee moneys or Government Obligations, sufficient to pay the principal or Redemption Price of any particular Bond or Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, interest on the Bond or Bonds shall cease to accrue on the due date and all liability of the Authority with respect to such Bond or Bonds shall likewise cease, except as provided in paragraph (b) below. Thereafter such Bond or Bonds shall be deemed not to be Outstanding under the Indenture and the holder or holders of such Bond or Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bond or Bonds, and the Trustee shall hold such funds in trust for such holder or holders.

(b) Moneys deposited with the Trustee pursuant to the Indenture which remain unclaimed four years after the date payment thereof becomes due shall, upon written request of the Authority, if the Authority is not at the time to the knowledge of the Trustee in default with respect to any covenant in the Indenture or the Bonds contained, be paid to the Authority or, at the direction of the Authority, to the University; and the holders of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Authority; provided, however, that before making any such payment to the Authority, the Trustee shall mail to the holders of all Bonds for which unclaimed moneys are being held a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice, the balance of such moneys then unclaimed will be paid to the Authority or, if appropriate, to the University.

Limitations on Recourse

No personal recourse shall be had for any claim based on the Indenture or the Bonds against any member, officer or employee, past, present or future, of the Authority or of any successor body as such, either directly or through the Authority or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise. The Bonds are payable solely from the Pledged Revenues and other moneys held by the Trustee under the Indenture for such purpose. There shall be no other recourse under the Bonds, the Indenture, the Loan Agreement or otherwise against the Authority or any other property now or hereafter owned by it. The Authority shall be conclusively deemed to have complied with all of its covenants and other obligations under the Indenture, upon requiring the University in the Loan Agreement to agree to perform such Authority covenants and other obligations (excepting only any approvals or consents permitted or required to be given by the Authority under the Indenture, and any exceptions to the performance by the University of the Authority's covenants and other obligations under the Indenture, as may be contained in such agreement in the Loan Agreement). However, nothing contained in any such agreement in the Loan Agreement shall prevent the Authority from time to time, in its discretion, from performing any such covenants or other obligations. The Authority shall have no liability for any failure to fulfill, or breach by the University of, the University's obligations under the Bonds, the Indenture, the Loan Agreement or otherwise.

APPENDIX D

Proposed Form of Bond Counsel Opinion

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FORM OF BOND COUNSEL OPINION

September __, 2014

Pennsylvania Higher Educational
Facilities Authority
1035 Mumma Road
Wormleysburg, PA 17043

TD Bank, National Association, as Trustee
1006 Astoria Boulevard
Cherry Hill, NJ 08002

Merrill Lynch, Pierce, Fenner & Smith
Incorporated, as the Underwriter
1818 Market Street, 18th Floor
Philadelphia, PA 19103

Re: $19,605,000 Pennsylvania Higher Educational Facilities Authority
Revenue Bonds, Series 2014 (Widener University)

Ladies and Gentlemen:

We have acted as bond counsel to the Pennsylvania Higher Educational Facilities Authority (the "Authority") in connection with the issuance of $19,605,000 aggregate principal amount of its Revenue Bonds, Series 2014 (Widener University) (the "Bonds"). The Bonds are issued under and pursuant to the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), including the Pennsylvania Higher Educational Facilities Authority Act of 1967, the Act of December 6, 1967, P.L. 678, as amended and supplemented (the "Act"), and a Trust Indenture dated as of September 1, 2003, as supplemented by a First Supplemental Trust Indenture dated as of February 1, 2005, as supplemented and amended by a Second Supplemental Trust Indenture dated as of August 1, 2013, as supplemented and amended by a Third Supplemental Trust Indenture dated as of November 1, 2013, and as further supplemented by a Fourth Supplemental Trust Indenture dated as of September 1, 2014 (collectively, the "Indenture"), between the Authority and TD Bank, National Association, as successor trustee (the "Trustee"). The Bonds are being issued as "Additional Bonds" under the Indenture.

The Bonds are being issued at the request of Widener University, Inc. (the "University") to provide funds which will be used to finance the costs of a project (the "Project") consisting of: (i) the advance refunding of $20,645,000 of the Authority's Revenue Bonds, Series 2005 (Widener University) originally issued in the aggregate principal amount of $34,000,000; and (ii) the payment of the costs of issuance of the Bonds.

The proceeds of the Bonds are being loaned to the University pursuant to a Loan Agreement dated as of September 1, 2003, as supplemented by a First Supplemental Loan Agreement dated as of February 1, 2005, as supplemented by a Second Supplemental Loan Agreement dated as of August 1, 2013, as supplemented by a Third Supplemental Loan Agreement dated as of November 1, 2013, and as further supplemented by a Fourth Supplemental Loan Agreement dated as of September 1, 2014 (collectively, the "Loan Agreement") between the Authority and the University. Under the Loan Agreement, the University is obligated to make payments in amounts sufficient to pay, among other things, the principal or redemption price of and interest on the Bonds.

The Bonds are secured by the Indenture and by an assignment to the Trustee of all of the Authority's right, title and interest in and to the Loan Agreement (except for the Authority's rights thereunder to receive payments of administrative fees and expenses and indemnification against liability).

The University has represented in the Loan Agreement that it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The University has covenanted that, throughout the term of the Loan Agreement, it will not carry on or permit to be carried on in the University Facilities (as defined in the Loan Agreement) any trade or business, nor will it take any action or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue if the conduct of such trade or business or such other action or circumstance would cause the interest paid by the Authority on the Bonds to be subject to federal income tax in the hands of the holders thereof. The University has further covenanted that it will neither make nor instruct the Trustee to make any investment or other use of the proceeds of the Bonds, nor take or omit to take any other action which would cause the Bonds to be arbitrage bonds under Section 148(a) of the Code.

Under the Indenture and the Loan Agreement, respectively, the Authority and the University have covenanted that they will comply with the requirements of Section 148 of the Code pertaining to arbitrage bonds. In addition, an officer of the Authority responsible for issuing the Bonds and a representative of the University have executed a certificate stating the reasonable expectations of the Authority and the University on the date of issue of the Bonds as to future events that are material for the purposes of such requirements of the Code.

In our capacity as bond counsel, we have examined such documents, records of the Authority and other instruments as we deemed necessary to enable us to express the opinions set forth below, including original counterparts or certified copies of the Indenture, the Loan Agreement and the other documents listed in the closing memorandum in respect of the Bonds filed with the Trustee. We have also examined an executed Bond, authenticated by the Trustee, and have assumed that all other Bonds have been similarly executed and authenticated. We have also assumed that the Indenture has been duly authorized, executed and delivered by the Trustee, and that the Loan Agreement has been duly authorized, executed and delivered by the University.

Based on the foregoing, it is our opinion that:

1. The Authority is a body corporate and politic validly existing under the laws of the Commonwealth, with full power and authority to undertake the Project, to execute and deliver the Indenture and the Loan Agreement and to issue and sell the Bonds.

2. The Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Authority and the covenants of the Authority therein are valid and binding obligations of the Authority enforceable in accordance with their terms, except as the rights created thereunder and the enforcement thereof may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally.

3. The issuance and sale of the Bonds have been duly authorized by the Authority. Based on the assumption as to execution and authentication set forth above, the Bonds have been duly executed and delivered by the Authority and authenticated by the Trustee, are valid and binding obligations of the Authority and are entitled to the benefit and security of the Indenture, except as the rights created thereunder and the enforcement thereof may be limited as indicated in paragraph 2.

4. Under the laws of the Commonwealth as presently enacted and construed, the Bonds are exempt from personal property taxes in Pennsylvania, and interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

5. Interest on the Bonds (including original issue discount) is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Authority and the University and continuing compliance by the Authority and the University with the requirements of the Code. Interest on the Bonds is not an item of tax preference for purposes of either individual or corporate federal alternative minimum tax ("AMT"); however, interest on the Bonds held by a corporation (other than an S corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal AMT because of its inclusion in the adjusted current earnings of a corporate holder. We express no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Original issue premium on a Bond issued at an issue price that exceeds its principal amount is amortizable periodically over the term of a Bond through reductions in the holder's tax basis for the Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortization of premium does not create a deductible expense or loss.

We express no opinion herein with respect to the adequacy of the security or sources of payment for the Bonds or the accuracy or completeness of any offering document used in connection with the sale of the Bonds.

We call your attention to the fact that the Bonds are limited obligations of the Authority, payable only out of certain revenues of the Authority and certain other moneys available therefor as provided in the Indenture, and that the Bonds do not pledge the credit or taxing power of the Commonwealth or any political subdivision, agency or instrumentality thereof. The Authority has no taxing power.

Very truly yours,

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APPENDIX E

Form of Continuing Disclosure Agreement

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") made this 11th day of September, 2014 by and between Widener University, Inc. (the "University") and TD Bank, National Association, as trustee (the "Trustee") and dissemination agent (the "Dissemination Agent").

WITNESSETH:

WHEREAS, pursuant to the Bond Purchase Contract, dated August 6, 2014 among the Pennsylvania Higher Educational Facilities Authority (the "Authority"), the University and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), the Authority is selling $19,605,000 in aggregate principal amount of Revenue Bonds, Series 2014 (Widener University) (the "Series 2014 Bonds"); and

WHEREAS, Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule") provides that a Participating Underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an Offering (as defined in the Rule) unless the Participating Underwriter has reasonably determined that an issuer of municipal securities, or an obligated person for whom financial or operating data is presented in the final Official Statement has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide, either directly or indirectly through an indenture trustee or a designated agent, certain specified financial information and operating data and notices of certain material events; and

WHEREAS, the University is the only obligated person with respect to the Series 2014 Bonds for purposes of the Rule; and

WHEREAS, in order to enable the Underwriter to comply with the requirements of the Rule, the University, as the obligated person, agrees to undertake to provide the information and notices required by the Rule.

NOW, THEREFORE, in consideration of the premises, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Definitions**. In addition to the terms defined in the above recitals, the following terms shall have the meanings specified below:

"2014 Official Statement" shall mean the Official Statement of the Authority dated August 6, 2014, with respect to the Series 2014 Bonds.

"Annual Report" shall mean any Annual Report provided by the University pursuant to and as described in Section 2 and Schedule I of this Disclosure Agreement.

"Business Day" means any day other than: (a) a Saturday or Sunday; (b) a day on which commercial banks in New York, New York or in the city or cities in which the designated corporate trust office of the Trustee is located are authorized or required by law to remain closed; or (c) a day on which the New York Stock Exchange is closed.

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the University and which has filed with the Trustee a written acceptance of such designation.

"EMMA" means the MSRB's Electronic Municipal Market Access system, or any successor system.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

2. **Covenants of the University**.

The University covenants to comply with all requirements of the Rule in furtherance of the foregoing and without limiting the generality thereof:

a. Each year, commencing for the fiscal year ended June 30, 2014, the University shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the University's fiscal year, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of Schedule I of this Disclosure Agreement.

(1) Not later than five (5) Business Days prior to the date specified in subsection a. above, the University shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent).

(2) If by five (5) Business Days prior to the date specified in subsection a. above for providing the Annual Report to the MSRB, via EMMA, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the University and the Trustee (if the Trustee is not the Dissemination Agent) to determine if the University is in compliance with subsection a.

(3) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB, via EMMA, by the date required in subsection a., the Dissemination Agent shall send a notice to the MSRB, via EMMA, in substantially the form attached as Schedule II, subject to modification for the submission requirements for EMMA.

b. In a timely manner, not to exceed ten (10) Business Days after occurrence, the University shall provide, through the Dissemination Agent, to the Trustee (if it is not also the Dissemination Agent) and the MSRB, via EMMA, notice of any of the following events (collectively, "Reportable Events") with respect to the Series 2014 Bonds:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on any debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on any credit enhancements reflecting financial difficulties;

(5) Substitution of any credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2014 Bonds or other material events affecting the tax status of the Series 2014 Bonds;

(7) Modifications to rights of bondholders, if material;

(8) Bond calls (other than in connection with mandatory sinking fund redemption), if material, and tender offers;

(9) Defeasances;

(10) Release, substitution or sale of property securing payment of the Series 2014 Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the University;

(13) The consummation of a merger, consolidation, or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of the trustee, if material.

c. For the purposes of the event identified in clause (b)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University.

d. The University agrees to provide information required in subsection a. or b. above for all persons who would be considered "Obligated Persons" (as defined under the Rule).

e. The University agrees that the provisions of this Section 2 shall be for the benefit of the holders and beneficial owners of the Series 2014 Bonds, and shall be enforceable by any holders or beneficial owners of the Series 2014 Bonds, or by the Trustee on their behalf, in an action for specific performance against the University.

f. All submissions to the MSRB shall be: (i) via EMMA; (ii) in an electronic format as prescribed by the MSRB; (iii) accompanied with identifying information as prescribed by the MSRB; and (iv) otherwise made in accordance with the MSRB's procedural and operational requirements.

3. **Duties and Liabilities of the Trustee and Dissemination Agent**.

a. The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the required filing procedures of the MSRB via EMMA; and

(ii) if the Dissemination Agent filed the Annual Report pursuant to subsection 2.a. l above, file a report with the University and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date on which the filing was made with the MSRB, via EMMA.

b. The Trustee and the Dissemination Agent shall have only those duties specifically set forth in this Disclosure Agreement and no further duties or responsibilities shall be implied. The Trustee and the Dissemination Agent shall not be liable for any action taken or omitted by it in good faith unless a court of competent jurisdiction determines that the Trustee's or the Dissemination Agent's gross negligence or willful misconduct was the cause of any loss to the University. The Trustee and the Dissemination Agent shall not incur any liability for following the instructions herein contained or expressly provided for, or written instructions given by the parties hereto. In the administration of this Disclosure Agreement, the Trustee and the Dissemination Agent may execute any of its powers and perform its duties hereunder directly or through agents or attorney and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Trustee and the Dissemination Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. The Trustee and the Dissemination Agent may resign and be discharged of its duties and obligations hereunder by giving notice in writing of such resignation specifying a date when such resignation shall take effect. Any corporation or association into which the Trustee or the Dissemination Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee or the Dissemination Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Trustee, or the Dissemination Agent, as applicable in its individual capacity may be sold or otherwise transferred, shall be the trustee, or the dissemination agent, as applicable under this Disclosure Agreement without further act. The University agrees to indemnify and save the Trustee and the Dissemination Agent, their officers, directors, employees and agents ("Indemnitees") harmless from and against any and all liabilities, losses, damages, fines, suits, actions, demands, penalties, costs and expenses (including out-of-pocket incidental expenses), reasonable legal fees and expenses, the allocated costs and expenses of in-house counsel and legal staff and the costs and expenses of defending or preparing to defend against any claim ("Losses") that may be imposed, incurred by, or asserted against the Indemnitees or any of them for following any instruction or other direction upon which the Trustee or the Dissemination Agent is authorized to rely pursuant to the terms of this Disclosure Agreement. In addition to and not in limitation of the immediately preceding sentence, the University also covenants and agrees to indemnify and hold the Indemnitees and each of them harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against the Indemnitees or any of them in connection with or arising out of the Trustee's or the Dissemination Agent's performance under this Disclosure Agreement, provided the Trustee or the Dissemination Agent has not acted with gross negligence or engaged in willful misconduct. The provisions of this Section 3 shall survive the termination of this Disclosure Agreement and the resignation or removal of the Trustee or the Dissemination Agent for any reason. Anything in this Disclosure Agreement to the contrary notwithstanding, in no event shall the Trustee or the Dissemination Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee or the Dissemination Agent has been advised of such loss or damage and regardless of the form of action.

4. **Termination of Reporting Obligations**. The University's reporting obligations under this Disclosure Agreement shall terminate: (1) upon the defeasance, prior redemption or payment in full of all of the Series 2014 Bonds; (2) upon repeal or rescission of Section (b)(5) of the Rule; or (3) upon a final determination that Section (b)(5) of the Rule is invalid or unenforceable.

5. **Dissemination Agent**. The University may from time to time replace, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is no Dissemination Agent, the University shall nonetheless be obligated to carry out the obligations of the Dissemination Agent under Section 2 hereof.

6. **Amendment**.

a. Notwithstanding any other provision of this Disclosure Agreement, the University and the Trustee may amend this Disclosure Agreement; provided however, that no such amendment or waiver shall be executed by the parties hereto or become effective unless:

(1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in identity, nature or status of the University or the operations conducted by the University or a change in identity, nature or status of the Trustee or the Dissemination Agent;

(2) the Disclosure Agreement, as amended by the amendment or waiver, would have been the written undertaking contemplated by the Rule at the time of original issuance of the Series 2014 Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver does not materially impair the interests of the beneficial owners of the Series 2014 Bonds.

b. Evidence of the compliance with the conditions set forth in clause a. of this Section 6 shall be satisfied by the delivery to the Trustee and the Dissemination Agent of an opinion of counsel acceptable to the University, the Dissemination Agent and the Trustee, to the effect that the amendment or waiver satisfies the conditions set forth in clauses a.(1), (2), and (3) of this Section 6.

c. Notice of any amendment or waiver containing an explanation of the reasons therefore shall be given by the University to the Trustee, the Dissemination Agent and the Authority upon execution of the amendment or waiver and the Dissemination Agent shall promptly file such notice with the MSRB, via EMMA. The Trustee shall also send notice of the amendment or waiver to all beneficial owners (including owners of book-entry credits) who have filed their names and addresses with the Trustee for the purpose of receiving such notices.

7. **Remedies for Default**. In the event of a breach or default by the University of its covenants to provide annual financial information and notices as provided in Section 2 hereof, the Trustee or any holder or beneficial owner of Series 2014 Bonds shall have the right to bring an action in court of competent jurisdiction to compel specific performance by the University. No monetary damages may be recovered under any circumstances for any breach or default by the University, the Dissemination Agent or the Trustee of their respective covenants hereunder. A breach or default under this Disclosure Agreement shall not constitute an Event of Default under any trust indenture, loan and security agreement, or other agreement pursuant to which the Series 2014 Bonds were issued or are secured. The Trustee shall be under no obligation to enforce this Disclosure Agreement unless: (i) directed in writing by the holders or beneficial owners of at least 25% of the outstanding principal amount of the Series 2014 Bonds; and (ii) furnished with indemnity and security for fees and expenses satisfactory to it.

8. **Miscellaneous**.

a. *Binding Nature of Agreement*. The Disclosure Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. In addition, the registered owners of the Series 2014 Bonds, which for the purposes of this Section 8 includes the holders of book-entry credit evidencing an interest in the Series 2014 Bonds from time to time, shall be third party beneficiaries hereof and shall be entitled to enforce the provisions hereof as if they were parties hereto; but no consent of the beneficial owners of the Series 2014 Bonds shall be required in connection with any amendment of this Disclosure Agreement, except as required by the Rule. Holders of book-entry credits evidencing an interest in the Series 2014 Bonds may file their names and addresses with the Trustee for the purposes of receiving notices or giving direction under this Disclosure Agreement.

b. *Notices*. Any written notice to or demand may be served, presented or made to the persons named below and shall be sufficiently given or filed for all purposes of this Disclosure Agreement if deposited in the United States mail, first class postage prepaid or in a recognized form of overnight mail or by telecopy with confirmation of receipt, addressed:

(i) To the Trustee or Dissemination Agent at:

TD Bank, National Association
1006 Astoria Boulevard
Cherry Hill, NJ 08002
Attention: Andrea West
Fax: (856) 685-5267

(ii) To the University at:

Widener University
One University Place
Chester, PA 19013
Attention: Senior Vice President for Finance and Administration
Fax: (610) 499-4544

or such other addresses or fax numbers as may be designated from time to time in writing to all parties hereto.

c. *Controlling Law*. The laws of the Commonwealth of Pennsylvania and the Rule shall govern the construction and interpretation of this Disclosure Agreement.

d. *Indemnity of Issuer*. The University agrees to indemnify and hold harmless the Authority from and against any claim and all related expenses relating to any claim asserted against the Authority or its members, officers, directors, employees or agents, arising out of or relating to this Disclosure Agreement or the obligations of the University hereunder.

e. *Successors and Assigns*. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the University or by or on behalf of the Trustee or Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

f. *Headings for Convenience Only*. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

g. *Counterparts*. This Disclosure Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Disclosure Agreement to be duly executed as of the date first above written.

WIDENER UNIVERSITY

By: ______________________________
Name:
Title:

TD BANK, NATIONAL ASSOCIATION, as Trustee and Dissemination Agent

By: ______________________________
Name:
Title:

SCHEDULE I

CONTENTS OF ANNUAL REPORT

The Annual Report shall contain the following:

1. a copy of the University's annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant; and

2. to the extent not included in the University's annual financial statements included in the Annual Report pursuant to 1 above, an update of the financial information and operating data set forth in "APPENDIX A - WIDENER UNIVERSITY" to the 2014 Official Statement under the following captioned sections:

a. "Faculty and Employees";
b. "Pension and Other Post-Employment Benefit Plans";
c. "Student Enrollment";
d. "Applications and Acceptances";
e. "Academic Quality";
f. "Student Fees";
g. "Student Financial Aid" ;
h. "Expendable Net Assets";
i. "Historic Operating Results";
j. "Endowment"; and
k. "Fundraising".

Each submittal of the information required under 1 and 2 above by the University shall contain on its cover page in bold face type the following language:

"The information contained herein is being filed by Widener University for the purposes of complying with its responsibilities under the Continuing Disclosure Agreement entered into by the University pursuant to SEC Rule 15c2-12. The information contained herein is as of the date set forth below. Neither TD Bank, National Association, as Trustee and Dissemination Agent, nor the Pennsylvania Higher Educational Facilities Authority has participated in the presentation of this report or examined its contents, and neither makes any representation concerning the accuracy and completeness of the information contained herein."

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Schedule I.

SCHEDULE II

NOTICE TO MSRB, VIA EMMA, OF FAILURE TO FILE ANNUAL REPORT

Name of lssuer:	Pennsylvania Higher Educational Facilities Authority (the "Authority")
Name of Bond Issue:	Pennsylvania Higher Educational Facilities Authority's Revenue Bonds, Series 2014 (Widener University)
Date of Issue:	September 11, 2014
Name of Obligated Person:	Widener University, Inc. (the "University")

NOTICE IS HEREBY GIVEN that the University has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated September 11, 2014, by and between the University and TD Bank, National Association. The University anticipates that the Annual Report will be filed by [, 20_].

TD BANK, National Association
on behalf of Widener University,
as Dissemination Agent

By: ______________________________
Authorized Signatory

cc: Widener University

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Widener University