New Issue (Book Entry-Only) **Rating: See "RATING" herein**

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the 2015 Bonds, including interest accruing in the form of original issue discount, is excluded from gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Authority and the College with the requirements of the Internal Revenue Code of 1986, as amended. Interest on the 2015 Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax (the "AMT"); however, interest on the 2015 Bonds held by certain corporations is included in the computation of "adjusted current earnings", a portion of which is taken into account in determining the AMT imposed on such corporations. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, interest on the 2015 Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax and the 2015 Bonds are exempt from personal property taxes in Pennsylvania. See "TAX MATTERS" herein.

Ursinus College

$12,160,000
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Ursinus College Revenue Bonds, Series of 2015

Dated: Date of Delivery **Due: January 1, as shown on inside cover page**

The Pennsylvania Higher Educational Facilities Authority (the "Authority") will issue its Ursinus College Revenue Bonds, Series of 2015 (the "2015 Bonds") under a Trust Indenture dated as of October 1, 2003, as heretofore amended and supplemented (the "Existing Indenture") and as further amended and supplemented by a Fourth Supplemental Trust Indenture dated April 15, 2015 (the "Fourth Supplemental Indenture" and, together with the Existing Indenture, the "Indenture"), between the Authority and the Trustee (defined below). The 2015 Bonds will be issued as fully registered bonds in the denominations of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2015 Bonds. Purchases will be made only in book-entry form by or through the Direct Participants, as defined in "THE 2015 BONDS — Book-Entry-Only System" herein, and no physical delivery of the 2015 Bonds will be made to Beneficial Owners except as described herein. The principal and Redemption Price of, and interest on, the 2015 Bonds will be paid by The Bank of New York Mellon Trust Company, N. A., as successor trustee (the "Trustee"). Principal or Redemption Price shall be paid at the designated corporate trust office of the Trustee in Pittsburgh, Pennsylvania. Interest shall be paid by check to the holders of the 2015 Bonds as of the applicable Record Date as described herein. So long as Cede & Co. is the registered owner, principal, Redemption Price and interest shall be paid to Cede & Co. Disbursement of such payments to the Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants and Indirect Participants, as more fully described herein. Interest on the 2015 Bonds is payable on each January 1 and July 1, commencing July 1, 2015.

The proceeds of the 2015 Bonds, together with certain other funds available for the purpose, will be applied to pay the costs of a project on behalf of Ursinus College (the "College") consisting of: (i) the advance refunding of the Authority's remaining outstanding Ursinus College Revenue Bonds, Series of 2006; and (ii) paying the costs and expenses of issuing the 2015 Bonds. See "PLAN OF FINANCING" herein.

The 2015 Bonds are subject to redemption prior to maturity as described herein under "THE 2015 BONDS — Redemption."

There are risks associated with an investment in the 2015 Bonds. Certain of these risks are outlined under "BONDHOLDERS' RISKS" herein.

The 2015 Bonds are limited obligations of the Authority and are secured under the Indenture, solely by, and payable from, the funds provided by the College to the Authority under a Loan and Security Agreement dated as of October 1, 2003, as heretofore amended and supplemented (the "Existing Agreement") and as further amended and supplemented by a Fourth Supplemental Loan and Security Agreement dated April 15, 2015 (the "Fourth Supplemental Agreement" and, together with the Existing Agreement, the "Agreement"), between the Authority and the College. The 2015 Bonds are secured by an assignment to the Trustee of the Agreement and the loan payments due thereunder. To secure its obligations to pay the principal and Redemption Price of, and interest on the 2015 Bonds, the College has granted a security interest under the Agreement (subject to Permitted Encumbrances) to the Authority in its Pledged College Revenues (as defined in the Indenture). The Agreement constitutes a general obligation of the College for which its full faith and credit is pledged.

NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED FOR PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON THE 2015 BONDS. THE 2015 BONDS SHALL NOT BE DEEMED TO BE OBLIGATIONS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The 2015 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and to the receipt of the approval of the legality of the 2015 Bonds by Eckert Seamans Cherin & Mellott, LLC, Philadelphia, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Buchanan Ingersoll & Rooney PC, Pittsburgh, Pennsylvania, for the College by its counsel, Curtin & Heefner, LLP, Morrisville, Pennsylvania and for the Underwriter by its counsel, Fox Rothschild LLP, Philadelphia, Pennsylvania. It is expected that the 2015 Bonds in definitive form will be available for delivery to the Underwriter through the facilities of DTC in New York City, New York on or about April 15, 2015.

RBC Capital Markets®

Dated: April 1, 2015

$12,160,000
PENNSYLVANIA HIGHER EDUCATIONAL
FACILITIES AUTHORITY
Ursinus College Revenue Bonds, Series of 2015

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Maturity (January 1)	Amount	Coupon	Yield	CUSIP†
2016	$330,000	2.000%	0.660%	70917SRL9
2017	210,000	2.000	1.000	70917SQW6
2018	220,000	2.000	1.370	70917SQX4
2019	225,000	3.000	1.680	70917SQY2
2020	230,000	3.000	1.910	70917SQZ9
2021	245,000	3.000	2.120	70917SRA3
2022	255,000	3.000	2.360	70917SRB1
2023	265,000	3.000	2.560	70917SRC9
2024	275,000	3.000	2.740	70917SRD7
2025	285,000	3.000	2.890	70917SRE5
2026	290,000	3.000	3.100	70917SRF2
2027	300,000	3.000	3.220	70917SRG0

$650,000 3.250% Term Bonds due January 1, 2029, priced at 97.292% to yield 3.500% CUSIP† 70917SRH8

$695,000 3.500% Term Bonds due January 1, 2031, priced at 97.048% to yield 3.750% CUSIP† 70917SRJ4

$7,685,000 4.00% Term Bonds due January 1, 2036, priced at 99.021% to yield 4.070% CUSIP† 70917SRK1

† The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Authority, the College or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. None of the Authority, the College and the Underwriter has agreed to, and there is not duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

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

No dealer, broker, salesperson or other person has been authorized by the Authority, the College or the Underwriter to give any information or to make any representations with respect to the 2015 Bonds, other than those contained in this Official Statement, and if given or made, such other information or representations 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, and there shall not be any sale of the 2015 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, the College, The Depository Trust Company and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Authority (except for the information under the caption "THE AUTHORITY" and information pertaining to the Authority under the caption "LITIGATION") or the Underwriter or, as to information from other sources, by the Authority or the College. 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 matters described herein since the date hereof.

The 2015 Bonds are not and will not be registered under the Securities Act of 1933, as amended, or under any state securities laws, and the Indenture has not been and will not be qualified under the Trust Indenture Act of 1939 because of available exemptions therefrom. Neither the Securities and Exchange Commission nor any federal, state, municipal or other governmental agency will pass upon the accuracy, completeness or adequacy of this Official Statement.

The Underwriter has reviewed the information in this official statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included in this Official Statement and Appendix A attached hereto constitute "forward- looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "budget," "forecast," "assumes" or other similar words or expressions. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The College does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations of the events, conditions or circumstances on which such statements are based change.

IN CONNECTION WITH THE OFFERING OF THE 2015 BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE 2015 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

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OFFICIAL STATEMENT

Relating to

$12,160,000
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
URSINUS COLLEGE REVENUE BONDS, SERIES OF 2015

INTRODUCTION

The information contained herein is provided for use in connection with the offering and sale of the 2015 Bonds (defined below). The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. Certain capitalized terms and phrases used in this Official Statement and not otherwise defined shall have the meanings set forth in Appendix C hereto.

Purpose of this Official Statement

The purpose of this Official Statement, including the cover page and the appendices attached hereto, is to provide certain information in connection with the offering by the Pennsylvania Higher Educational Facilities Authority (the "Authority") of $12,160,100 aggregate principal amount of Ursinus College Revenue Bonds, Series of 2015 (the "2015 Bonds"), which are being issued by the Authority under and pursuant to a Trust Indenture dated as of October 1, 2003, as heretofore amended and supplemented (the "Existing Indenture") and as further amended and supplemented by a Fourth Supplemental Trust Indenture dated April 15, 2015 (the "Fourth Supplemental Indenture" and, together with the Existing Indenture, the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N. A., as successor trustee (the "Trustee").

The Authority

The Authority is a body corporate and politic duly organized and validly existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), created by the Pennsylvania Higher Educational Facilities Authority Act of 1967 (Act of December 6, 1967, P.L. 678, as amended) (the "Act"). See "THE AUTHORITY" herein.

The College

Ursinus College (the "College") is an institution of higher education and owns and operates higher educational facilities located in Collegeville, Pennsylvania. For more information on the College, see Appendix A hereto.

Purpose of the Issue

The proceeds of the 2015 Bonds, together with certain other funds available for the purpose, will be applied to finance a project on behalf of the College (the "2015 Project") consisting of: (i) the advance refunding of the Authority's remaining outstanding Ursinus College Revenue Bonds, Series of 2006, of which $12,735,000 remain outstanding (the "2006 Bonds"); and (ii) paying the costs and expenses of issuing the 2015 Bonds. See "PLAN OF FINANCING" herein.

Issuance of and Security for the 2015 Bonds

The proceeds of the 2015 Bonds will be loaned to the College under the Loan and Security Agreement dated as of October 1, 2003, as heretofore amended and supplemented (the "Existing Agreement") and as further amended and supplemented by a Fourth Supplemental Loan and Security Agreement dated April 15, 2015 (the "Fourth Supplemental Agreement" and, together with the Existing Agreement, the "Agreement") , between the Authority and the College and secured, except as otherwise described herein, equally and ratably with the outstanding long term indebtedness of the College (see "INTRODUCTION — Other Indebtedness and Additional Bonds" and "ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS" herein), by an assignment to the Trustee of the Agreement and the loan payments due thereunder. The Agreement constitutes a general obligation of the College for which its full faith and credit is pledged. The College will use the proceeds of the 2015 Bonds loaned pursuant to the Agreement, together with other available funds, to pay the costs of the 2015 Project. The College will make loan payments, when due, directly to the Trustee, as assignee of the Authority, for repayment of the loan, at such times and in such amounts so as to provide for payment, when due, of the principal or Redemption Price of, and interest on, the 2015 Bonds outstanding under the Indenture. To secure its payment obligations under the Agreement in respect of all Bonds issued under the Indenture, the College has granted to the Authority pursuant to the Agreement a security interest in its Pledged College Revenues. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS" herein.

Other Indebtedness and Additional Bonds

The Authority previously has issued for the benefit of the College and pursuant to the Indenture its $18,865,000 Ursinus College Revenue Bonds, Series A of 2012 (the "2012A Bonds"), of which $16,705,000 remain outstanding and its $12,880,000 Ursinus College Revenue Bonds, Series of 2013 (the "2013 Bonds", and together with the 2012 Bonds, the "Outstanding Bonds"), of which $12,125,000 remain outstanding.

As described above, the 2015 Bonds will be secured on parity basis with the Outstanding Bonds with respect to the lien on the Pledged College Revenues. Upon compliance with the terms and conditions set forth in the Indenture and the Agreement, as applicable, the Authority may issue Additional Bonds or incur additional long term indebtedness secured on a parity basis with the Outstanding Bonds and the College may incur and secure other debt as permitted by the Agreement.

For more detailed discussions of the Agreement and the Indenture, see "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS" herein and Appendix C hereto.

Bondholders' Risks

Information concerning certain risks relating to future revenues and expenses, and other considerations is contained herein under the caption "BONDHOLDERS' RISKS."

THE AUTHORITY

The Authority is a body corporate and politic, constituting a public corporation and a public instrumentality of 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 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 therein defined), with the rights and powers, inter alia: (1) to finance projects for colleges (including universities) by making loans to such colleges which may be evidenced by, and secured as provided in, loan agreements, security agreements or other contracts, leases or agreements; (2) to borrow money for the purpose of paying all or any part of the cost of construction, acquisition, financing, alteration, reconstruction and rehabilitation of any education 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 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 College. 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 College.

The Authority has issued, and may continue to issue, other series of bonds for the purpose of financing other projects, including other educational facilities. Each such series of bonds to the extent issued to benefit educational institutions other than the College is or will be secured by instruments separate and apart from the Indenture securing the 2015 Bonds.

The Act provides that the Authority is to obtain from the Pennsylvania State Public School Building Authority ("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, which currently numbers ten (10) people, and operate under a joint administrative budget.

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 with the State Public School Building Authority (SPSBA) and the Pennsylvania Higher Educational Facilities Authority (PHEFA) 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 joining the Authority, 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 SPSBA. He has been with the 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 Pennsylvania Higher Educational Facilities Authority (PHEFA) and the State Public School Building Authority (SPSBA) since 2004. She is a graduate of Alvernia University 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 Pennsylvania Department of the Auditor General.

THE 2015 BONDS

General

The 2015 Bonds are dated the date of delivery and bear interest at the rates and mature in the amounts and on the dates listed on the inside cover page of this Official Statement. Interest is payable on January 1 and July 1 of each year until maturity or prior redemption (as described below), commencing on July 1, 2015.

The 2015 Bonds will be issued as fully registered bonds without coupons, in denominations of $5,000 or any integral multiple thereof. The principal or Redemption Price of the 2015 Bonds will be payable upon presentation thereof at the designated corporate trust office of the Trustee in Pittsburgh, Pennsylvania. Interest on the 2015 Bonds will be payable by check mailed to the Registered Owners of the 2015 Bonds at the addresses of such Registered Owners as shown on the registration books of the Authority kept by the Trustee as of the close of business on the applicable Regular Record Date or Special Record Date.

The Authority shall cause to be kept at the designated corporate trust office of the Trustee in Pittsburgh, Pennsylvania, a register in which, subject to such reasonable regulations as it may prescribe, the Authority shall provide for the registration of the 2015 Bonds and the transfer of the 2015 Bonds. Upon surrender for transfer of any 2015 Bond at the designated corporate trust office of the Trustee in Pittsburgh, Pennsylvania, the Authority shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new 2015 Bonds of any authorized denominations, of a like aggregate principal amount. At the option of the Registered Owner, the 2015 Bonds may be exchanged for other 2015 Bonds of any authorized denominations, of a like aggregate principal amount, upon surrender of the 2015 Bonds to be exchanged at such office. Whenever any 2015 Bonds are so surrendered for exchange, the Authority shall execute, and the Trustee shall authenticate and deliver, the 2015 Bonds which the Registered Owner making the exchange is entitled to receive. All 2015 Bonds issued upon any transfer or exchange of the 2015 Bonds shall be the valid obligations of the Authority, evidencing the same debt, and entitled to the same benefits under the Indenture, as the 2015 Bonds surrendered upon such transfer or exchange. Every 2015 Bond presented or surrendered for transfer or exchange shall be duly endorsed (with signatures guaranteed, if so requested by the Trustee), or be accompanied by a written instrument of transfer in form satisfactory to the Authority and the Trustee duly executed by the Registered Owner thereof or his attorney duly authorized in writing.

No service charge shall be made for any transfer or exchange of the 2015 Bonds, but the Authority may require payment of a sum sufficient to cover any tax or other governmental charges that may be imposed in connection with any transfer of the 2015 Bonds.

The Authority and the Trustee shall not be required (i) to issue, transfer or exchange any 2015 Bond during a period of 15 days before the day of the mailing of a notice of redemption of the 2015 Bonds selected for redemption, or (ii) to transfer or exchange any 2015 Bond so selected for redemption in whole or in part.

The Authority, the Trustee, and any paying agent(s) may deem and treat the person in whose name a 2015 Bond shall be registered as the absolute owner thereof, whether the 2015 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of the 2015 Bond and for all other purposes, and all such payments so made to any Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon the 2015 Bond to the extent of the sum or sums so paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

The provisions described in this subsection captioned “General” are subject to the provisions discussed under the subsection entitled “Book-Entry-Only System.”

Book-Entry Only System

Ownership interests in the 2015 Bonds will be available to purchasers only through a the Book-Entry System maintained by DTC, New York, New York, which will act as securities depository for the 2015 Bonds. The 2015 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 the 2015 Bonds of each maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC. The following discussion will not apply to any 2015 Bonds issued in certificate form due to the discontinuance of the Book-Entry System, as described below.

So long as Cede & Co., as nominee of DTC, is the Registered Owner of the 2015 Bonds, the Beneficial Owners of the 2015 Bonds will not receive or have the right to receive physical delivery of the 2015 Bonds, and references herein to the Bondowners or Registered Owners of the 2015 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners (as defined below) of the 2015 Bonds.

DTC, the world's largest securities 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, as amended. 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" and, together with Direct Participants, the "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.

Purchase of the 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of a 2015 Bond ("Beneficial Owner") is in turn to be recorded on the 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 Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2015 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2015 Bonds, except in the event that use of the book-entry system for the 2015 Bonds is discontinued.

To facilitate subsequent transfers, all 2015 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 the 2015 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 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015 Bonds are credited, which may or may not be the Beneficial Owners. The 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 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 the 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2015 Bond documents. For example, Beneficial Owners of the 2015 Bonds may wish to ascertain that the nominee holding the 2015 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 2015 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2015 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2015 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 the 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, Redemption Price and interest payments on the 2015 Bonds will be made 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 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 (or its nominee), the Trustee, the College or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, Redemption Price and interest on the 2015 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the College or 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 Participants.

DTC may discontinue providing its services as depository with respect to the 2015 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, the 2015 Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, the 2015 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and the Book-Entry System has been obtained from DTC. The College, the Authority and the Underwriter take no responsibility for the accuracy thereof, and neither the Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Participants, as the case may be.

None of the Authority, the Underwriter, the Trustee or the College will have any responsibility or obligations to any Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal or Redemption Price of, or interest on the 2015 Bonds; (iii) the delivery by any such Participants of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to Bondholders; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the 2015 Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

Registration and Transfer if Book-Entry-Only System Discontinued

The 2015 Bonds may be transferred or exchanged only upon presentation thereof to the designated corporate trust office of the Trustee in Pittsburgh, Pennsylvania, accompanied by an assignment duly executed by the registered owner thereof or his authorized representative and, in the case of a transfer, containing written instructions as to the details of such transfer. Neither the Authority nor the Trustee will be required to issue, exchange or transfer any 2015 Bond during the fifteen calendar 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 2015 Bond to be transferred or exchanged has been called for such redemption.

No service charge will be made to the Bondholders for any exchange or transfer, but the Authority may require payment of a sum sufficient to pay any tax or other governmental charge that may be imposed in relation thereto. In the event any 2015 Bond is mutilated, lost, stolen or destroyed, the Authority may execute and the Trustee may authenticate a new Bond of like series, tenor and denomination in accordance with the provisions of the Indenture, and the Authority and the Trustee may charge the registered owner of such 2015 Bond with their reasonable fees and expenses and require indemnity in connection therewith.

Redemption

Optional Redemption. The 2015 Bonds maturing on and after January 1, 2026, are subject to redemption prior to maturity at the option of the Authority and at the direction of the College on and after January 1, 2025, in whole at any time or in part at any time and from time to time on any date and, if in part, as chosen by such method as the Trustee deems fair and equitable, in each case upon payment of a Redemption Price equal to the principal amount thereof plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The 2015 Bonds maturing on January 1, 2029, January 1, 2031 and January 1, 2036, respectively, are subject to mandatory redemption prior to maturity, in part, in direct order of maturity, and within a maturity as chosen by such method as the Trustee deems fair and equitable, on January 1 of the years (excluding each maturity date) and in the amounts set forth below, but only from moneys required to be deposited therefor in the 2015 Bonds Sinking Fund Account of the 2015 Debt Service Account created in the Debt Service Fund established under the Indenture, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon to the date of redemption.

Term Bond due January 1, 2029

Year (January 1)	Principal Amount
2028	$320,000
2029†	330,000

Term Bond due January 1, 2031

Year (January 1)	Principal Amount
2030	$340,000
2031†	355,000

Term Bond Due January 1, 2036

Year (January 1)	Principal Amount
2034	$2,465,000
2035	2,560,000
2036†	2,660,000

† Maturity

Notice of Redemption. In the event the Authority shall exercise its option or be required to redeem any or all of the 2015 Bonds, the Trustee shall cause notice of such redemption to be given by first-class mail, postage prepaid, to the Registered Owners of any 2015 Bonds or portions of 2015 Bonds to be redeemed at the addresses appearing in the bond register not less than 30 days nor more than 60 days prior to the redemption date; provided, however, that no defect in the notice or the mailing thereof (including the failure to mail any notice) shall affect the validity of the redemption of other Bonds for which proper notice of redemption has been given. Such notice shall be given in the name of the Authority and include the information set forth in the Indenture. Notice of redemption having been given as aforesaid, the 2015 Bonds or portions thereof so called for redemption shall become due and payable at the applicable Redemption Price herein provided, and from and after the date so fixed for redemption, interest on the 2015 Bonds or portions thereof so called for redemption shall cease to accrue and become payable; provided, however, that such notice may be conditioned upon deposit by the Authority with the Trustee of sufficient moneys to pay the Redemption Price prior to the redemption date and in the event such moneys are not so irrevocably deposited such notice shall be of no effect and such 2015 Bonds shall remain Outstanding and interest thereon shall continue to accrue. If less than all the Bonds of a maturity are to be redeemed, the Trustee shall select the 2015 Bonds to be redeemed by lot or other reasonable method of selection satisfactory to the Trustee.

In addition to the foregoing notice, further notice of any redemption of 2015 Bonds hereunder shall be given by the Trustee to The Bond Buyer, to Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("S&P") or their successors, if any, and to the Municipal Securities Rulemaking Board: http://emma.msrb.org/. Such further notice shall contain the information required above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given to the Registered Owners as prescribed.

If at the time of mailing of any notice of redemption, the Authority shall not have irrevocably deposited moneys with the Trustee sufficient to redeem all 2015 Bonds called for redemption, such notice shall state that it is conditional upon, and subject to, the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited.

The provisions in this subsection captioned "Redemption" are subject to the provisions discussed in the subsection entitled "Book-Entry-Only System."

SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS

General

THE 2015 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE SECURED SOLELY BY AND PAYABLE SOLELY FROM THE FUNDS PROVIDED BY THE COLLEGE TO THE AUTHORITY UNDER THE AGREEMENT. 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 PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2015 BONDS. THE 2015 BONDS SHALL NOT BE DEEMED TO BE OBLIGATIONS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

Set forth below is a brief discussion of certain provisions of the Agreement and the Indenture which relate to the security for the 2015 Bonds. Reference should be made to Appendix C hereto for a further description of the provisions of the Agreement and the Indenture.

The Agreement

The 2015 Bonds are secured by an assignment to the Trustee of the Agreement and the loan payments due thereunder. On or before December 10 and June 10 of each year, commencing June 10, 2015, the College shall pay to the Trustee, as assignee of the Authority, an amount which, together with other available funds on deposit with the Trustee in the 2015 Debt Service Account of the Debt Service Fund, is sufficient to pay the interest becoming due on the 2015 Bonds on the next January 1 or July 1, respectively, and on or before December 10 of each year, commencing

December 10, 2015, an amount which, together with other available funds on deposit with the Trustee in the 2015 Debt Service Account, is sufficient to pay the principal becoming due (at stated maturity or through sinking fund redemption) on such January 1. The Agreement constitutes a general obligation of the College for which its full faith and credit is pledged.

No representation can be made as to the ability of the College to perform the covenants and agreements set forth in the Indenture or the Agreement.

The College's obligations under the Agreement will be secured by a lien on and security interest in the Pledged College Revenues (as defined in Appendix C).

The effectiveness of the pledge of Pledged College Revenues is limited since a security interest in money generally cannot be perfected by the filing of financing statements under the Pennsylvania Uniform Commercial Code ("UCC"). Rather, such a security interest is perfected by taking possession of the subject funds or by establishing control over a deposit or investment account in which such money is deposited or invested. The moneys constituting the Pledged College Revenues received by the College from time to time are not required to be transferred to or held by the Trustee, or otherwise subject to its control, and may be spent by the College or commingled with its other funds.

To the extent that a security interest can be perfected in the Pledged College Revenues by the filing of financing statements, such action will be taken. The security interest in the Pledged College Revenues may be subject to certain limitations under the UCC. Such security interest may be further limited by the following: (1) statutory liens; (2) rights arising in favor of the United States of America or any agency thereof; (3) present or future prohibitions against assignment contained in any Pennsylvania statutes or regulations; (4) constructive trusts, equitable liens or other rights impressed or conferred by any Pennsylvania or federal court in the exercise of its equitable jurisdiction; (5) federal bankruptcy laws or state laws dealing with fraudulent conveyances affecting assignments of revenues and assets; and (6) any defect in the filing of, or any failure to file, appropriate continuation statements to the UCC. See "BONDHOLDERS' RISKS -- Enforceability of Remedies" herein.

Sinking Fund Account

The Trustee shall establish as a part of the 2015 Debt Service Account created under the Fourth Supplemental Indenture, a 2015 Bonds Sinking Fund Account for the retirement of the 2015 Bonds as described in "THE 2015 BONDS — Redemption — Mandatory Sinking Fund Redemption" above.

Additional Indebtedness

If the College deems it necessary or advisable that a Project be undertaken, or if it is deemed necessary by the College to refund Outstanding Bonds or obtain additional financing for the completion or refinancing of a Project, the College may incur Alternative Debt or request the Authority to issue Additional Bonds for all or part of the Costs thereof. Upon receipt of a request of the College, accompanied by required documents as provided in the Agreement, the Authority may provide such money through the issuance of Additional Bonds thereunder, or through the issuance of other evidences of indebtedness of the Authority, whether the same be taxable or tax-exempt, depending upon the favorability of the respective markets at the time of the request. The Authority shall, however, be under no obligation if such financing arrangements may not be undertaken or completed for any reason or due to the occurrence of any event beyond the control of the Authority. The security for such Additional Bonds or Alternative Debt shall not include moneys in any fund established under the Indenture with respect to the 2015 Bonds. Any such additional financing must comply with the terms and provisions of the Agreement as to the incurrence of additional debt by the College, and if such additional financing involves the issuance of Additional Bonds, the provisions of the Indenture as to the issuance of Additional Bonds. See “THE AGREEMENT — Permitted Indebtedness” and “THE INDENTURE — Additional Bonds” in Appendix C hereto.

The College may also incur additional Long-Term Debt, Short-Term Debt and Non-Recourse Debt from other sources as permitted by the provisions of the Agreement. See “THE AGREEMENT — Permitted Indebtedness” in Appendix C hereto.

No Liens on College Real Property

Bondholders will not have a mortgage lien on any real property of the College. If the College later desires to grant a mortgage on its real property, to secure its obligations to another Person, then the College shall thereupon grant to the Trustee, for the benefit of all Bondholders, a mortgage on such real property.

No Debt Service Reserve Fund

The 2015 Bonds are not secured by a debt service reserve fund. The owners of the 2015 Bonds will have no interest in any debt service reserve fund or sinking fund created under the Indenture securing the Outstanding Bonds or which might hereafter be created to secure any Additional Bonds of the College.

PLAN OF FINANCING

The College has requested the Authority to issue the 2015 Bonds and loan the proceeds to the College in order to provide funds, together with certain other funds available for the purpose, to pay the costs of the 2015 Project consisting of (i) the advance refunding of the 2006 Bonds; and (ii) paying the costs and expenses of issuing the 2015 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds	
Par Amount of the 2015 Bonds	$12,160,000.00
2006 Debt Service Reserve Fund	1,276,060.67
2006 Debt Service Fund	33,475.82
Net Original Issue Discount	(52,333.10)
College Equity Contribution	142,212.32
Total Sources of Funds	**$13,559,415.71**
Uses of Funds	
Deposit to 2006 Bonds Escrow Fund	$13,327,593.16
Payment of Costs of Issuance (1)	231,822.55
Total Uses of Funds	**$13,559,415.71**

(1) Includes payment of Underwriter's discount, Authority fees, Trustee fees, Bond Counsel fees, Underwriter's counsel fees, College counsel fee, Auditors' fees, verification agent fee, escrow agent fee and other costs of issuance.

In connection with the advance refunding of the 2006 Bonds, on the date of issuance of the 2015 Bonds, a portion of the proceeds of the 2015 Bonds will be irrevocably deposited with The Bank of New York Mellon Trust Company, N.A., as escrow agent under an Escrow Agreement dated as of April 15, 2015 between the Authority and such escrow agent and invested in securities which will mature and earn interest at such rates as will provide sufficient funds to pay principal of and interest on the 2006 Bonds through and including the redemption date of January 1, 2016, and to redeem the remaining principal of the 2006 Bonds on such date.

ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each fiscal year of the College ending June 30, the amounts required, as of the date of this Official Statement, for the payment of the principal and interest due on all long term indebtedness of the College.

Debt Service 2015 Bonds

Year (June 30)	Outstanding Bonds Debt Service	Principal	Interest	Debt Service for 2015 Bonds	Total Debt Service
2016	$ 2,346,600	$ 330,000	$ 312,284	$ 642,284	$ 2,988,884
2017	2,342,650	210,000	432,550	642,550	2,985,200
2018	2,337,500	220,000	428,350	648,350	2,985,850
2019	2,343,100	225,000	423,950	648,950	2,992,050
2020	2,345,700	230,000	417,200	647,200	2,992,900
2021	2,344,100	245,000	410,300	655,300	2,999,400
2022	2,339,750	255,000	402,950	657,950	2,997,700
2023	2,337,100	265,000	395,300	660,300	2,997,400
2024	2,337,000	275,000	387,350	662,350	2,999,350
2025	2,339,300	285,000	379,100	664,100	3,003,400
2026	2,338,750	290,000	370,550	660,550	2,999,300
2027	2,341,750	300,000	361,850	661,850	3,003,600
2028	2,340,500	320,000	352,850	672,850	3,013,350
2029	2,335,000	330,000	342,450	672,450	3,007,450
2030	2,335,250	340,000	331,725	671,725	3,006,975
2031	2,342,400	355,000	319,825	674,825	3,017,225
2032	2,339,000	0	307,400	307,400	2,646,400
2033	2,272,400	0	307,400	307,400	2,579,800
2034		2,465,000	307,400	2,772,400	2,772,400
2035		2,560,000	208,800	2,768,800	2,768,800
2036		2,660,000	106,400	2,766,400	2,766,400
TOTAL	**$42,057,850**	**$12,160,000**	**$7,305,984**	**$19,465,984**	**$61,523,834**

BONDHOLDERS' RISKS

The 2015 Bonds are limited obligations of the Authority and are payable solely from payments made pursuant to the Agreement. **No representation or assurance can be given to the effect that the College will generate sufficient revenues to meet the College's payment obligations under the Agreement.**

Future legislation, regulatory actions, economic conditions, changes in private philanthropy, changes in the number of students in attendance at the College, competition or other factors could adversely affect the College's ability to generate revenues. Neither the Underwriter nor the Authority has made any independent investigation of the extent to which any of these factors could have an adverse impact on the revenues of the College.

Reliance on Tuition

The adequacy of the College's revenues will largely depend on the amount of future tuition revenue the College receives. Such revenue in turn will depend primarily on the College's ability to charge sufficient rates for tuition and to maintain enrollment levels. Future enrollment levels will depend on the number of students applying to the College and accepting offers of admission. A number of factors, including, without limitation, levels of tuition rates and other fees, competition from other colleges and universities, a change in the number of college age students and changing general economic conditions will influence the number of applicants to the College.

Competition

Competition among institutions of higher education is intense nationally and within the region from which the College draws the majority of its students. Universities and colleges compete principally based on location, tuition rates, degree offerings, and academic reputation. To the extent that competitors have or achieve an advantage with respect to any of these factors, the College could be adversely affected. In addition, competitive pressures could result in tuition reductions or the inability to raise tuition, which could adversely affect the change in the College's unrestricted net assets.

Fluctuations in Market Value of Investments

Earnings on investments have historically provided the College an important source of cash flow and capital appreciation to support its programs and services, to finance capital expenditure investments and to build cash reserves. Historically the value of both debt and equity securities has fluctuated and, in some instances, the fluctuations have been quite significant. Diversification of securities holdings may diminish the impact of these fluctuations. However, no assurances can be given that the market value of the investments of the College will grow, or even remain at current levels and there is no assurance that such market value will not decline.

Potential Effects of Bankruptcy

If the College were to file a petition for relief under Title 11 of the United States Code, as amended (the “Bankruptcy Code”), the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the College and its property. If the bankruptcy court so ordered, the College’s property, including its revenues, could be used for the benefit of the College despite the claims of its creditors (including the Trustee).

In a bankruptcy proceeding, the College could file a plan for the adjustment of its debts 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 who had notice or knowledge of the plan and discharge all claims against the debtor provided for in the plan. No plan may be confirmed unless, among other conditions, the plan is in the best interest of creditors, is feasible and has been accepted by each class of claims impaired thereunder.

Each 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 are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and does not discriminate unfairly.

Covenant to Maintain Tax-Exempt Status of the 2015 Bonds

The tax-exempt status of the 2015 Bonds, as described under "TAX MATTERS" herein, is based on the continued compliance by the Authority and the College with certain covenants contained in the Indenture, the Agreement and certain other documents entered into by the Authority and the College. These covenants relate generally to restrictions of the use of facilities financed or refinanced with proceeds of the 2015 Bonds, arbitrage limitations, rebate of certain excess investment earnings to the federal government and restrictions on the amount of issuance costs which can be financed with proceeds of the 2015 Bonds. Failure by the Authority or the College to comply with such covenants could cause interest on the 2015 Bonds to become subject to federal income taxation retroactive to the date of issuance of the 2015 Bonds.

Maintenance of the College's 501(c)(3) Status

The tax-exempt status of the 2015 Bonds presently depends upon the College's maintenance of its status as an organization described in Section 501(c)(3) of the Code.

The College has been determined by the Internal Revenue Service (the "IRS") to be a tax-exempt organization described in Section 501(c)(3) of the Code. To maintain such status, the College must conduct its operations in a manner consistent with representations previously made to the IRS and with current and future IRS regulations and rulings governing tax-exempt education facilities.

Failure to comply with current and future regulations and rulings of the IRS could adversely affect the ability of the College to finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the 2015 Bonds. Although the College has covenanted to maintain its status as a tax-exempt organization, loss of tax-exempt status would likely have a significant adverse effect on the College and its operations and could result in the includability of interest on the 2015 Bonds in gross income for federal income tax purposes retroactive to their date of issue.

Potential for Additional Legislation or Regulation

In recent years, the activities of non-profit tax-exempt corporations have been subjected to increasing scrutiny by federal, state and local legislative and administrative agencies (including the United States Congress, 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 of the activities of tax-exempt non-profit corporations, and/or tax or otherwise burden the activities of such corporations (including proposals to broaden or strengthen federal and local tax law provisions respecting unrelated business income of non-profit corporations.)

Potential Changes in Federal and State Tax Law

Current and future legislative proposals, if enacted into law, clarifications of the Code or state or local tax law or court decisions may cause interest on the 2015 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to state income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. President Obama's 2016 budget, for example, proposes a 28% cap on the value of tax preferences, including tax-exempt interest for municipal bonds. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market prices for, or marketability of, the 2015 Bonds. Prospective purchasers of the 2015 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation or regulations.

Enforceability of Remedies

The remedies available to Bondholders upon an Event of Default under the Indenture or the Agreement are in many respects dependent upon judicial action which is subject to discretion or delay. Under existing law and judicial decisions, including specifically the Bankruptcy Code, the remedies specified in the Indenture and the Agreement may not be readily available or may be limited. A court may decide not to order specific performance.

The various legal opinions to be delivered concurrently with the original delivery of the 2015 Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws or legal or equitable principles affecting creditors' rights.

Other Risk Factors

In the future, the following factors, among others, may adversely affect the revenues or operations of the College to an extent that cannot be determined at this time.

(i) Lack of demand for on-campus housing at the College.

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

(iii) Higher interest rates, which could prevent borrowing for needed capital expenditures.

(iv) Increasing costs of compliance with governmental regulations, including accommodations for handicapped or special needs students, and costs of compliance with the changes in such regulations.

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

(vi) Increased costs and/or decreased availability of student loan funding.

(vii) Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.

(viii) Cost and availability of energy.

(ix) An increase in the costs of health care benefits, retirement plans, or other benefit packages offered by the College to its employees.

(x) The occurrence of natural disasters, including floods and hurricanes and pandemics and similar events, which might damage the facilities of the College, interrupt service to such facilities or otherwise impair the operation and ability of such facilities to produce revenue.

(xi) Reduced future College revenues as a result of a need to increase tuition discounting to attract students.

(xii) Reduced ability to attract future annual operating contributions or capital campaign contributions, that may limit future projects or the ability to address deferred maintenance and/or the support of expenses related to faculty salaries, tuition discounting or additional programs.

(xiii) An inability to retain students, resulting in enrollment losses and reduced revenues.

(xiv) A downgrade in the College's bond rating or rating outlook to a level which prevents the College from being able to borrow at affordable rates in the future.

LIMITED OBLIGATIONS

The 2015 Bonds are limited obligations of the Authority and are secured by and payable solely from the funds provided by the College to the Authority under the Agreement. Neither the general credit of the Authority nor the credit or the taxing power of the Commonwealth or any political subdivision thereof is pledged for the payment of the principal, Redemption Price of, or interest on, the 2015 Bonds. The 2015 Bonds shall not be deemed to be obligations of the Commonwealth or any political subdivision thereof. The Authority has no taxing power.

NO RECOURSE AGAINST MEMBERS OF THE AUTHORITY

No recourse shall be had for payment of the principal or redemption price of, and interest on, the 2015 Bonds, or for any claims based on the 2015 Bonds or on the Indenture or any indenture supplemental thereto, against any member, officer or employee, past, present or future, of the Authority, or of any successor entity, as such, either directly or through the Authority or any such successor entity, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, and the release of all such liability of such members, officers or employees is a condition of and consideration for the execution by the Authority of the Indenture and the issuance of the 2015 Bonds.

LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the College or the Authority, threatened that seeks to restrain or enjoin the issuance, sale, execution or delivery of the 2015 Bonds, or in any way contests or affects the validity of the 2015 Bonds, any proceedings of the Authority taken with respect to the issuance or sale thereof, any security or the pledge or application of any moneys provided for the payment of the 2015 Bonds, the existence or powers of the Authority or the accomplishment of the purposes for which the 2015 Bonds are being issued.

Other than as set forth under "Litigation" in Appendix A, there is no controversy or litigation of any nature now pending against the College or, to the knowledge of any of its respective officers, threatened which in the judgment of the College would materially adversely affect the operations or financial condition of the College or the ability of the College to perform its obligations under the Agreement.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance, sale and delivery of the 2015 Bonds are subject to the approval of Eckert Seamans Cherin & Mellott, LLC, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Buchannan Ingersoll & Rooney, PC, Pittsburgh, Pennsylvania; for the College by their counsel, Curtin & Heefner, LLP, Morrisville, Pennsylvania and for the Underwriter by their counsel, Fox Rothschild LLP, Philadelphia, Pennsylvania.

TAX MATTERS

Federal

Exclusion of Interest From Gross Income

In the opinion of Bond Counsel, including interest accruing in the form of original issue discount, under existing statutes, regulations, rulings and court decisions, interest on the 2015 Bonds is excluded from gross income of the holders thereof for federal income tax purposes assuming continuing compliance by the Authority and the College with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the 2015 Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax (the "AMT"); however, interest on the 2015 Bonds held by certain corporations is included in the computation of "adjusted current earnings," a portion of which is taken into account in determining the AMT imposed on such corporations.

In rendering its opinion, Bond Counsel has assumed compliance by each of the Authority and the College with its covenants contained in the Indenture and its representations in the Tax Compliance Agreement executed by the Authority and the College on the date of issuance of the 2015 Bonds relating to actions to be taken by the Authority and the College after issuance of the 2015 Bonds necessary to effect or maintain the exclusion from gross income of interest on the 2015 Bonds for federal income tax purposes. These covenants and representations relate to, inter alia, the use and investment of proceeds of the 2015 Bonds, and the rebate to the United States Department of Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants could result in interest on the 2015 Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the 2015 Bonds.

Other Federal Tax Matters

Ownership or disposition of the 2015 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, holders of an interest in a financial asset securitization investment trust property and casualty insurance companies, individuals who otherwise qualify for the earned income credit and taxpayers who have an initial basis in the 2015 Bonds greater or less than the principal amount thereof, individual recipients of Social Security or Railroad Retirement benefits and taxpayers, including banks, thrift institutions and other financial institutions, subject to Code Section 265, who may be deemed to have incurred or continued indebtedness to purchase or to carry the 2015 Bonds.

Bond Counsel is not rendering any opinion regarding any federal tax matters other than as described under the caption "Exclusion of Interest From Gross Income" above and expressly stated in the form of Bond Counsel opinion included as Appendix E. Purchasers of the 2015 Bonds should consult their independent tax advisors with regard to all federal tax matters.

Pennsylvania

In the opinion of Bond Counsel, under the laws of the Commonwealth as enacted and construed on the date hereof, interest on the 2015 Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax, and the 2015 Bonds are exempt from personal property taxes in Pennsylvania; however, under the laws of the Commonwealth, as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the 2015 Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth.

Other

The 2015 Bonds and the interest thereon may be subject to state and local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

Purchasers of the 2015 Bonds should consult their independent tax advisors with regard to all state and local tax matters that may affect them.

POTENTIAL CHANGES IN FEDERAL OR STATE TAX LAWS

Current and future legislative proposals, if enacted into law, clarifications of the Code or state or local law or court decisions may cause interest on the 2015 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to state income taxation, or otherwise prevent Beneficial Owners form realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2015 Bonds. Prospective purchasers of the 2015 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation or regulations.

UNDERWRITING

RBC Capital Markets LLC, the Underwriter named on the cover page of this Official Statement (the "Underwriter"), has agreed to purchase the 2015 Bonds from the Authority at a purchase price of $12,019,506.90, comprised of the par amount of the 2015 Bonds of $12,160,000.00, less an Underwriter's discount of $88,160.00, less a net original issue discount of $52,333.10 pursuant to a Bond Purchase Agreement entered into among the Authority, the College and the Underwriter. The Underwriter reserves the right to join with dealers and other Underwriters for the purpose of offering the 2015 Bonds to the public. The obligation of the Underwriter to accept delivery of the 2015 Bonds is subject to various conditions of such Bond Purchase Agreement. The Underwriter may offer and sell the 2015 Bonds to certain dealers (including dealers depositing the 2015 Bonds into investment trusts) and others at prices lower than the offering prices stated on the cover page hereof. The Underwriter may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the 2015 Bonds. The Underwriter may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the 2015 Bonds.

RATING

S&P has assigned the rating of "A-" (stable outlook) to the 2015 Bonds. Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained from S&P's. A rating is not a recommendation to buy, sell or hold securities. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency if in the judgment of such rating agency circumstances so warrant. None of the Underwriter, the Authority, or the College has undertaken any responsibility either to bring to the attention of the holders of the 2015 Bonds any proposed change in or withdrawal of a rating of the 2015 Bonds or to oppose any such proposed change or withdrawal. A downward revision or withdrawal of such rating may have a substantial adverse effect on the market price of the 2015 Bonds.

The College has <u>not</u> undertaken to maintain any particular rating on the 2015 Bonds.

CONTINUING DISCLOSURE

The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the 2015 Bonds and the Authority will not provide any such information. The College has undertaken all responsibilities for any continuing disclosure to holders of the 2015 Bonds as described below, and the Authority shall have no responsibility or liability to the holders of the 2015 Bonds or any other person with respect to such disclosures.

In order to assist the Underwriter in complying with the requirements of Rule 15c2-12 (the "Rule"), the College will enter into the Continuing Disclosure Agreement. See Appendix D for the proposed form of Continuing Disclosure Agreement.

Other than as set forth below, during the past five years, the College has complied in all material respects with its existing continuing disclosure obligations in accordance with the Rule. The College failed to file certain operating data for the fiscal years 2010 through 2013 based upon a misinterpretation of the Rule. It filed all such data on July 29, 2014 and has since been in compliance in all material respects with its existing continuing disclosure obligations in accordance with the Rule.

FINANCIAL INFORMATION

The audited financial statements of the College as of and for the years ended June 30, 2014 and June 30, 2013 included in Appendix B to this Official Statement have been audited by Grant Thornton LLP, independent certified public accountants, as stated in their report appearing therein.

The financial information appearing in Appendix A to this Official Statement has not been audited by any firm of independent certified public accountants and no opinion on such interim information is expressed in this Official Statement.

VERIFICATION

Causey Demgen & Moore P.C., a firm of independent public accountants (the "Verification Agent"), will deliver to the College, on or before the date of the delivery of the 2015 Bonds, its report indicating that it has verified that, subject to a portion of the proceeds of the 2015 Bonds being deposited with the Escrow Agent pursuant to the Escrow Agreement, the maturing principal amounts of the investments in the escrow fund created under the escrow Agreement and the interest income to be realized thereon are adequate to pay the principal of and interest on the 2006 Bonds through and including the redemption date of the 2006 Bonds on January 1, 2016, and to redeem the 2006 Bonds on such date.

The verification performed by the Verification Agent will be based solely upon data, information and documents provided to the Verification Agent by the University and its representatives. The Verification Agent's report of this agreed upon procedures engagement performed under standards established by the American Institute of Certified Public Accountants will state that the Verification Agent has no obligation to update the report for events occurring, or data or information coming to their attention, subsequent to the date of the report.

MISCELLANEOUS

All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the Underwriter or the Authority. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The information contained herein should not be construed as representing all conditions affecting the Authority, the College or the 2015 Bonds. Additional information may be obtained directly from the Authority or the College. The descriptions in Appendix C of certain provisions of the Indenture and the Agreement are in summarized form, and in all respects are subject to and qualified in their entirety by express reference to the provisions of the Indenture and the Agreement in their complete form, and by reference to laws and principles of law and equity relating to or affecting generally the enforcement of creditors' rights.

The agreements of the Authority set forth in the Indenture and the information contained herein are not to be construed as a contract with the owners of the 2015 Bonds. Information with respect to the College set forth in this Official Statement has been supplied by the College, and the Authority has relied upon the College with respect to the accuracy and sufficiency of such information. The Authority has not assisted in the preparation of this Official Statement, except for the statements under the section captioned "THE AUTHORITY" and information pertaining to the Authority under the caption "LITIGATION" herein and, except for these sections, the Authority is not responsible for any statements made in this Official Statement. The Authority assumes no responsibility for the disclosures set forth in this Official Statement.

The contents hereof pertaining to the Authority under the captions "THE AUTHORITY" and "LITIGATION" and the distribution hereof have been approved by the Authority. The contents hereof starting with the cover page and including the following material are all part of this Official Statement and have been approved by the College.

PENNSYLVANIA HIGHER EDUCATIONAL
FACILITIES AUTHORITY

By: /s/ Robert Baccon
Robert Baccon
Executive Director

URSINUS COLLEGE

By: /s/ Jonathan C. Ivec
Jonathan C. Ivec
Vice President for Finance and Administration

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APPENDIX A

GENERAL OVERVIEW OF URSINUS COLLEGE

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URSINUS COLLEGE

"Ursinus College excites its students by involving them in active learning and transforming experiences. There is emphasis on close faculty interaction, made possible by many small classes and opportunities for independent study and research. Ursinus is a remarkable liberal arts college – student-centered, academically rigorous, ambitious, achieving, serious about students in the community – focused, in other words, on the right things. This focus on teaching and learning leads to a level of student-centeredness that is commendable. The high academic expectations of the College are coupled with a commitment to developing the whole student."

2009 Ursinus College Periodic Review Report
(*Middle States Association Visiting Team*)

General

Founded in 1869, Ursinus College (the "College" or "Ursinus") is a highly selective, independent, coeducational, four-year liberal arts college with a strong record of academic excellence and equal opportunity for men and women. It is one of only 8% of U.S. colleges to boast a Phi Beta Kappa honor society chapter. The College is continually seeking ways to improve: recently it developed one of the nation's most innovative First-Year programs, which includes the widely recognized Common Intellectual Experience (CIE); it has increased the number of inter-disciplinary program offerings and faculty; it provides resources for faculty/student independent research, internships, and study abroad; and it has implemented a core curriculum specifically designed to foster an ethos of academic rigor and personal responsibility among all students.

Ursinus is located on a 170-acre campus in the Borough of Collegeville, Montgomery County, Pennsylvania, approximately 28 miles northwest of Philadelphia. Its beautiful residential campus invites students to participate in a closely knit and supportive community. Its dedicated faculty includes some of the leading teacher-scholars in the nation. The student to faculty ratio is approximately 12 to 1. In recent years full-time College enrollment rose to a high of 1,780 FTE; reducing to its current level of approximately 1,670. The College believes that its maximum capacity is approximately 1,700 FTE.

Ursinus guarantees on-campus housing for four years, encouraging students to live and learn in college residence halls. Over 96% of students reside on campus as a student body that is 52% female and 48% male. All students take the liberal studies curriculum, designed to equip them early in their time at Ursinus with the skills and knowledge of a broad general education. Upper-class students choose one or more of 29 majors for an in-depth experience. Students also have an opportunity to choose from 50 minor concentrations in areas outside their major to introduce career options and greater intellectual breadth.

Ursinus consistently surpasses national benchmarks for achieving academic excellence. Based on its high marks in the National Survey for Student Engagement, Ursinus is one of only eight liberal arts colleges in the nation included in *Student Success in College*, a study to document best educational practices. According to the research, the efforts to foster outstanding student achievement "are marked by a clearly espoused and enacted mission. The impact of these efforts is, among other things, to focus student energy on educationally productive activities in ways that are consistent with the College's values and mission." Ursinus is also featured in the book, *Colleges that Change Lives*. The book, authored by Loren Pope, former education editor of *The New York Times*, wrote about Ursinus, "Here, professors and students do their research not in separate labs and offices, but side by side. They are fellow workers. Such closeness may boost a student's confidence that he too can do what his teacher is doing, and that's what often happens."

The College has used prudent fiscal pactices to continue the improvements in the educational programs. The College has increased its tuition to align its price with its competition, and has managed its financial aid through an "integrated net revenue management" model that combines assumptions about tuition inflation, discounting through institutional scholarships and grants, and new entering freshmen enrollment into a strategic revenue plan based on classic economic principles. The College has enhanced and enlarged its physical facilities and information technology to accommodate improved programs and the increased enrollment. All students receive a laptop computer at the start of their first year, upgraded after their second year, to use during their time at the College.

Governance

The College is governed by a self-perpetuating Board of Trustees (the "Board") consisting currently of 33 members, including the President of the College; 29 members are graduates of the College. Members of the Board are elected to four-year terms and may be re-elected to a maximum of three terms.

The officers of the Board include the Chair, Vice Chair, Secretary and Treasurer. The Chair is elected to a four-year term; other officers serve two-year terms. A complete list of the members of the Board is set forth on the following page.

URSINUS COLLEGE
BOARD OF TRUSTEES
2014-15

Administration

The principal officers of the College are:

Lucien T. (Terry) Winegar, Interim President. Dr. Winegar was named Interim President in October 2014 with the passing of President Bobby Fong. He joined the College in July 2012. Prior to this, he had served as the Dean of the School of Natural and Social Science at Susquehanna University. At Susquehanna, Dr. Winegar served as a member of the President's Executive Staff and as a member of several committees that addressed campus initiatives. Before joining Susquehanna, Dr. Winegar was Assistant Dean at Randolph-Macon College in Virginia, with responsibility for faculty development. He was previously director of the program in International Studies at Randolph-Macon and served as Professor of Psychology and Chair of the Department. He holds a bachelor's degree in Psychology from St. Ambrose College in Iowa, a master's degree in Education and Child Development from Bryn Mawr College, and a Ph.D. in Human Development from Bryn Mawr College.

Jonathan C. Ivec, CPA, Vice-President for Finance and Administration. Mr. Ivec has been with the College since 2013. Prior to this position, he served as Senior Vice President for Finance and Administration at Iona College and Vice President for Finance and Administration at John Carroll University. He also served as Chief Financial Officer at the Cleveland Sight Center, as well as an auditor with Ernst and Young. He has a bachelor's degree in Economics from John Carroll University and an MBA from The Ohio State University. He is a Certified Public Accountant and Certified Compliance and Ethics Professional.

Richard DiFeliciantonio, Vice-President for Enrollment. Mr. DiFeliciantonio joined the College in 1989 as Director of Admissions. He assumed additional responsibility for financial aid in 1994 and for student affairs in 1996. He has a B.A. from Swarthmore College and an M.A. from the University of Denver.

Jill Marsteller, Senior Vice President for Advancement. Ms. Marsteller has been with the College in her current position since 2009. Prior to her current position, she has served as Vice President for Advancement at Lehigh University, Vice President of Institutional Advancement at Haverford College, President of Cedar Crest College, and Senior Vice President for Advancement at Fox Chase Cancer Center. Ms. Marsteller has done extensive work as a consultant, serving the Chemical Heritage Foundation, The Haverford School, The World Trade Center Foundation and Western Connecticut State University. She received her bachelors of arts degree from Ursinus in English in 1978 and received her Masters of Arts from Villanova University in 1980.

Deborah Nolan, Vice President for Student Affairs and Dean of Students. Ms. Nolan began her Ursinus career as Assistant Dean of Students in 1986. In 1995 she served as Interim Dean of Students and was appointed Dean of Students the following year. She became Vice President of Student Affairs and Dean of Students in 2010. She earned her B.A. in Music from Muskingum College and her M.A. in Educational Policy and Leadership from The Ohio State University.

Peter Small, Interim Dean. Dr. Small was named Interim Dean of the College in October 2014 at the request of Interim President Winegar. He joined the Ursinus faculty in 1972 and moved through the ranks to full professor in 1983. He has served as the chair of the biology department numerous times, and was serving as chair when asked to become Interim Dean, and he spent sixteen years in the Dean's Office as Assistant and then Associate Dean under a former Dean. Dr. Small did his undergraduate work at Austin Peay State University, earned a Master's degree from East Tennessee State University, and completed a Ph.D. at Miami University in 1972.

Accreditation

The College is accredited by the Middle States Association of Secondary Schools and Colleges. The most recent reaccreditation review was successfully completed in 2009. A Period Review Report was completed in 2014.

The chemistry program is accredited by the American Chemical Society. The College is a member of the Annapolis Group and is on the approved list of the American Association of University Women. The College is approved by The Commonwealth of Pennsylvania Department of Education to offer initial Teacher Certification. The College participates in Project Pericles, the Bonner Leaders Program and competes in the NCAA Division III Centennial Conference for athletics.

PROGRAMS

Academic Programs

The College awards baccalaureate degrees (Bachelor of Arts and Bachelor of Science) in 29 majors and 50 minors in 21 departments. The majors with the largest concentration of students include Biology, Business and Economics, Psychology, Exercise and Sports Science and English. In 2013-14, 367 degrees were awarded as follows:

Bachelor of Arts:	162
Bachelor of Science:	205

First Year Program. First-year students share an ongoing dialogue as they participate in two seminars designed to provide a common intellectual experience. The Common Intellectual Experience (CIE) offer a shared group of seminal readings from across the centuries and across the globe. Instructors for the seminars are drawn from the faculty of every academic department of the College. The discussion begins an inquiry into the central questions of a liberal education: What does it mean to be human? How should we live our lives? What is the meaning of the universe and how do we fit into it? The College was recognized in Newsweek for the quality of its first year program. In order to take full advantage of the common intellectual experience, first-year students are housed in centrally located residence halls so that the conversations begun in the classroom can continue over into residence life. As they further explore their intellectual inquiries, first-year students develop and draw upon a strong academic support network within their community, which strengthens Ursinus' high retention rate. The First-Year Student Coordinator integrates academic and student services to enhance the experience and to ensure the success of each student.

Building an Academic Community. All students receive laptop computers at the beginning of their first year; the computers are upgraded and replaced at the end of their sophomore year. The laptop program provides all students with equal access to the latest technology. All students must complete two semesters of the same foreign language, a mathematics course, a lab science, one course in both social sciences and the humanities, and CIE. In addition, students must fulfill a fine arts requirement in art, music, or theatre. Finally, all students must take one course that deals primarily with diversity issues and one focused on more global (non-western) material.

The W.R. Crigler Institute. To raise awareness of the value of a multicultural education and to help bring enrolled students from different backgrounds together, Ursinus offers a 3 week summer program prior to the first semester. The Crigler Institute (named for Ursinus' first African American graduate) provides a unique opportunity for students to continue their pursuit of academic excellence and combine it with leadership and social consciousness development. During this three-week summer residential program, students take an intensive four-credit course which extends into the fall semester. In addition to course work, students participate in a community service project, connect with Ursinus alumni and attend leadership workshops. This experience offers participants the opportunity to adjust to the academic rigor of Ursinus, become acquainted with campus facilities, participate in and enjoy group activities, meet Ursinus faculty and staff and build a peer network. Over the past 26 years the program has grown from 15 students to the 38 who participated in the fall of 2014 and increased our minority student population and improved our overall retention and graduation rates.

The Independent Learning Experience. The College requires that each student fulfill an independent learning experience to help students take responsibility for their education and to foster student initiative and independence by enhancing their confidence in their own abilities. Students may choose to complete this core requirement from a diverse list of options. Some plan, for example, to study abroad for a semester. Others pursue internships, both paid and unpaid, where they explore career opportunities and learn to work in a cooperative and professional manner. The more academically inclined take advantage of the abundant research opportunities available at Ursinus, either by competing for a summer fellowship, pursuing an independent research paper that leads to an honors thesis, or both. Students may also choose to earn distinguished honors by working on their thesis for the equivalent of three semesters.

Study Abroad. Ursinus has been committed to providing and promoting study abroad programs to its students. Student participation in the program grew dramatically beginning in 1997, peaked in 2006 and has remained stable with the College's enrollment trends. All qualifying students are strongly encouraged to take advantage of one of the many college-approved programs, which include programs on every continent except Antarctica. In these programs, Ursinus students take advantage of a variety of opportunities to engage with the local culture, including home-stays, integrated classes in foreign universities, intensive language classes, internships and/or service learning. Ursinus sends most students to Western Europe, but increasingly students are opting to study in Africa, Asia and Latin America. Students who qualify for study abroad have the opportunity to do so at the same cost as a semester at Ursinus. For many students, this financial agreement makes study abroad possible and they take advantage of a chance that other colleges may not be able or willing to provide.

Summer Fellows Research Program. The Summer Fellows Research Program offers about 90 students an exciting and unique opportunity to pursue their own intellectual interests. One of the largest summer research programs of its kind at a small, liberal arts college, the Summer Fellows Research Program is funded through the College, alumni donors, gifts, and research grants. The students are given a stipend and living accommodations to complete either a 10-week (sciences) or 8-week (social sciences and humanities) program focused on research. Students compete for inclusion in the Summer Fellows Research Program by submitting a research project plan, securing a faculty mentor, and obtaining a recommendation from two professors. An appealing aspect of this program is the small intellectual community it creates each summer. Most students who participate in the Summer Fellows Research Program go on to complete an honors thesis and attend graduate school.

Faculty

The faculty at Ursinus forms the backbone of the institution's mission and is comprised of a dedicated group of teacher-scholars active in both the classroom and in research. The faculty for the 2014-15 academic year is comprised of 123 full-time members, consisting of 36 professors, 40 associate professors, 39 assistant professors and 8 instructors. Approximately 29% of the 123 full-time faculty members are tenured, and approximately 91% have earned either a Doctorate in their field of expertise (102) or the highest degree appropriate to their field of expertise (10).

The number of grants, awards, and sabbaticals awarded each year to deserving faculty members exemplify the superior work that Ursinus professors consistently generate. Over the last five years, in addition to publishing numerous scholarly articles and books, the Ursinus faculty obtained grant funding from 19 foundations and federal agencies, including the Andrew W. Mellon Foundation, the National Science Foundation, the National Institutes of Health, the National Endowment for the Humanities, the Pennsylvania Council for the Arts, the Howard Hughes Medical Institute, the United States Department of Agriculture, the United States Forest Service, the Alden Trust and the Teagle Foundation. In the last five years, faculty members were awarded approximately $3,600,000 in government and private grants. Faculty members also mentor students in research, and their students disseminate the results of their research with their professors as co-presenters at conferences or through joint publications. In the last two years alone, over 400 students presented conference papers. Further, there were 215 faculty publications and 47 faculty-student publications.

Student Fellowships

Dedicated to teaching and scholarship, the faculty contributes to a stimulating intellectual environment that encourages student achievement inside and outside the classroom and laboratory. That faculty members inspire students to excel is demonstrated by the growing numbers of students receiving prestigious undergraduate and graduate awards: in the past few years, Ursinus has produced Goldwater Scholars, United Negro College Fund-Merck Awardees, Udall Scholars, and many other recipients of awards from professional and philanthropic organizations, including the Society of Environmental Professionals, the St. Andrew's Society of Philadelphia, and the Kemper Foundation.

In 2001, Ursinus was named to the exclusive Thomas J. Watson Foundation List, one of 50 liberal arts colleges to hold this honor. Ursinus seniors compete to earn one of the coveted Watson Fellowships, which pay for independent study and international travel in the first year after graduation. Participation in the Watson Fellowship program offers external validation of the College's dedicated mission to educate students who learn, think, and live independently. Over the past fourteen years, Ursinus has been awarded 9 Watson Fellowships.

Enrollment

Fall enrollment statistics for the College are shown in the following tabulations for the last six academic years:

Year	Full-Time	Part-Time	Total Headcount	FTE*
2009-10	1,718	24	1,742	1,726
2010-11	1,780	23	1,803	1,788
2011-12	1,743	33	1,776	1,754
2012-13	1,651	29	1,680	1,661
2013-14	1,582	14	1,596	1,587
2014-15	1,662	19	1,681	1,668

* Pursuant to the College's policy, one-third of the part-time headcount enrollment is counted as FTE. The table above excludes the College's Evening Division Program, which was eliminated by the College in 2011-12.

The 2014-15 undergraduate student body comprises students from 33 states and 16 foreign countries. The states with the largest percentages of the student body were Pennsylvania (52%), New Jersey (21%), New York (6%), Maryland (4%), Massachusetts (2%) and Connecticut (2%).

During the last decade, between 88% and 92% of first-time, first-year students have returned to the College for their sophomore year, a rate stronger than the College's experience through the 1990's. Management believes that the improvement in retention is a result of curricular innovations in the first year program, and to higher student satisfaction related to the growth in programs, faculty, and facilities. Seventy-four percent of entering students graduate within six years, a rate also higher than the College's experience through the 1990's.

The following table describes the recent 6-year history of applications, admits, and enrollments of first-time, first-year students:

Year	Number of Applicants	Number Admitted	Number Enrolled	Percent Admitted of Applicants	Percent Enrolled of Admitted
2009-10	6,125	3,471	510	56.7	14.7
2010-11	5,917	3,274	445	55.3	13.6
2011-12	3,853	2,703	427	70.2	15.8
2012-13	3,518	2,455	456	69.8	18.6
2013-14	3,947	2,618	425	66.3	16.2
2014-15	2,676	2,218	497	82.9	22.4

The College undertook in the mid-2000's to grow the applicant pool and its first-year enrollment. Through aggressive recruiting outreach, increased list buys and direct mailing, and new internet techniques—supplemented by favorable national press and a streamlined application process—the College succeeded in nearly tripling the applicant pool and growing the student body to beyond capacity. While welcoming the growth and the accompanying revenue at a time when most national liberal arts colleges were maintaining or even contracting, management recognized that the level of growth is not sustainable. Going forward, management has formally adopted within its strategic planning model the prudent goal to stabilize first-year enrollment by budgeting for 440, targeting at 475 and stabilizing enrollment within the next half decade at around 1,700 total FTEs.

The following table describes the recent 6-year history of average SAT scores* for first-time, first-year students:

Year	SAT Verbal	SAT Math	Total SAT
2009-10	625	620	1,245
2010-11	605	615	1,220
2011-12*	600	610	1,210
2012-13	595	600	1,195
2013-14	580	594	1,174
2014-15	575	575	1,150

* Beginning in 2011-12, Ursinus stopped requiring SAT scores for admission. For the years 2011-12 through 2014-15, the SAT scores listed reflect SAT scores that were voluntarily submitted to the College.

Tuition and Fees

The following table sets forth the annual tuition and room and board charges for a full-time student for each of the last five academic years:

Year	Tuition	Room & Board	Total
2010-11	$40,120	$ 9,750	$49,870
2011-12	41,820	10,300	52,120
2012-13	43,270	10,750	54,020
2013-14	44,530	11,100	55,630
2014-15	46,080	11,500	57,580

Financial Aid to Students

Financial aid is provided to students at the College from the following sources: scholarships, grants (institutional, federal, state, and private), federal loans and federal work study. From 2007 to 2014 the percent of Ursinus students receiving any form of financial aid has ranged from 92-98%.

The following table shows the aggregate amount of financial aid for students at the College for the last five academic years:

	2013-14	2012-13	2011-12	2010-11	2009-10
College Funded:					
Unrestricted	$36,817,927	$35,836,754	$35,608,221	$35,012,496	$31,304,006
Temporarily restricted	84,200	69,839	77,310	72,600	40,800
Total College Funded	$36,902,127	$35,906,593	$35,685,531	$35,085,096	$31,344,806
Federal Funded:					
Federal PELL	1,481,968	1,588,123	1,620,029	1,568,364	1,283,058
Federal SEOG	207,909	257,191	257,191	284,815	287,983
Federal Work Study	128,555	140,625	140,625	140,625	140,625
Federal Perkins Loans	425,660	108,300	90,700	91,350	200,000
Total Federal Funded	$ 2,244,092	$ 2,094,239	$ 2,108,545	$ 2,085,154	$ 1,911,666
State Funded:					
Grants	1,233,249	1,401,586	1,286,356	1,381,651	1,365,085
Fed Work Study Match	21,752	29,071	26,537	19,022	16,204
Total State Funded	1,255,001	1,430,657	1,312,893	1,400,673	1,381,289
Total	$40,401,220	$39,431,489	$39,106,969	$38,570,923	$34,637,761

Financial Aid Policies and Enrollment. Ursinus carefully manages the distribution of College-funded financial aid by adopting an "integrated net revenue management" model that combines assumptions about tuition inflation, discounting through institutional scholarships and grants, and new entering freshmen enrollment into a strategic revenue plan based on classic economic principles. The model is market-driven and is sensitive to current economic conditions, changing demographic trends, and competition within the College's market.

Peer Institutions

The College compares itself to other institutions. The following table lists the colleges and universities that the College considers a peer institution and their costs of attendance for 2014-15:

Institution	Tuition and Fees	Room and Board	Total Cost of Attendance
F & M College	$ 48,714	$ 12,285	$ 60,999
Dickinson College	47,692	11,972	59,664
Gettysburg College	47,480	11,340	58,820
Ursinus College	**46,080**	**11,500**	**57,580**
Drew University	44,232	12,302	56,534
Muhlenberg College	44,145	10,335	54,480
Goucher College	41,308	11,980	53,288
Washington College	42,592	10,010	52,602
Susquehanna University	40,350	10,800	51,150
Allegheny College	40,660	10,320	50,980
Elizabethtown College	39,920	9,640	49,560
Juniata College	38,620	10,710	49,330

Source: ____________________

Facilities

The College's campus consists of 170 acres. Academic and social life is organized around a plaza and walkway linking academic buildings, residence halls and a student center. Together, these buildings represent the interaction of academic and social life at the College. Notable buildings on campus include:

F.W. Olin Hall, dedicated in 1990 and funded entirely by a grant from the F.W. Olin Foundation, contains classrooms, a 300-seat lecture hall, a Writing Fellows Center, an international learning center and offices for faculty members in the departments of English, History, Classical and Modern Languages, Philosophy and Religious Studies.

Wismer Center, built in 1957, and renovated several times from the late 1990s through 2014, provides dining facilities, snack bar, social lounge, offices for student services personnel, and a campus bookstore. It includes bas-relief honoring classes from the war years.

Bomberger Hall, built in 1891, and fully renovated in 2006, is the only original building of the College still standing. It includes faculty offices and classrooms for Business and Economics, Anthropology and Sociology, Politics and International Relations, Education and Music. The building also includes offices for Career Services.

Myrin Library, constructed in 1970, totally renovated in 1988, and again in 2005, houses the College's library collection of more than 420,000 volumes, 202,000 microforms, 32,000 audiovisual materials, 200,340 e-books, and provides on-site and remote access to approximately 30,300 print, microform and electronic periodical titles. It is a selective depositor for U.S. Government documents and Pennsylvania state government documents. The library is connected to the On-line Computer Library Center's bibliographic network, providing worldwide access to more than 6,700 collections and over 46 million volumes. The library also houses the College's Information Technology department, College

Communications offices, the Registrar's Office, Institutional Research, the Pennsylvania Folklife Archives, and the Ursinusiana Collection.

Thomas Hall was opened for use in 1970 and was completely renovated in 1991. Renovation to selected laboratories, funded via a National Science Foundation grant, was completed during 2011. It houses classrooms, laboratories and faculty offices for the biology and psychology departments.

Pfahler Hall of Science was built in 1932 and a state-of-the-art three-story addition was completed in 1998, which is seamlessly integrated into the traditional 1932 building. Pfahler houses classrooms, laboratories and faculty offices for work in Chemistry, Physics, Astronomy, Mathematics, Computer Science and Environmental Studies.

The Kaleidoscope, the College's performing arts center, opened in the spring of 2005. It houses the theater and dance programs and has two theaters: a 350-seat proscenium theater and a smaller black box theater with a flexible stage and moveable seating. The center houses a large rehearsal studio, wardrobe workroom, scene shop and storage area.

The Philip and Muriel Berman Museum of Art was dedicated in 1989 and is located in the original Alumni Memorial Library, built in 1921. In 2009, the College expanded the museum by dedicating the Henry W. and June Pfeiffer wing. The addition provided additional storage and lecture space, a works on paper study area and new galleries. The museum offers exhibitions and related programming focusing on an extensive permanent collection and a variety of touring exhibitions from around the world.

Ritter Center, which was renovated in 2006, houses several classrooms, a media laboratory, a television studio, an editing bay and various auxiliary rooms. It also includes faculty offices for Media and Communications and Art.

Corson Hall was opened for use in 1970 and houses most administrative offices of the College. It is located near the main entrance to the campus and contains the Admissions Office; Dean's Office; President's Office; Advancement; administrative computing; Student Financial Services; Human Resources and the Business Office.

The Floy Lewis Bakes Field House, encompassing the D.L. Helfferich Hall of Health and Physical Education and the William Elliott Pool provides athletics and Exercise and Sports Science facilities for both men and women. The field house pavilion opened in 2001, while the other buildings were dedicated in 1972. This complex includes locker and training rooms and a two-story glass-enclosed area for fitness and recreation. It provides students with three full-size basketball courts, locker rooms and team rooms, a wrestling room, a weight room, a dance studio, classrooms, a regulation collegiate-sized swimming pool, squash and handball courts and a gymnastics space. The field house also offers a six-lane indoor track.

Student Housing is provided in 10 residence halls and 33 houses offering a variety of sizes and programming styles. Approximately half of the resident students live in traditional residence halls and half reside in residence houses, many of which are part of the College's Residential Village. Several residence halls offer special programming opportunities including biology, research, international and multicultural activities, writing and literature, community service, wellness education, art and women's studies. The most recently built residence halls include the 143 bed Richter/North residence hall that opened in 2002 and the 183 bed New Hall that opened in 2007. In total, student housing provides approximately 1,629 beds and is presently at an occupancy level of approximately 96%.

Computer Facilities and Support. The College provides all students with equal access to information technology resources, and it provides consulting and maintenance services to faculty and students to enhance their use of the resources. The College has an extensive technology infrastructure, including a robust and reliable computing network environment, fully wired residences and classrooms with high-speed network and internet connections as well as state-of-the-art projection equipment in classrooms. A fiber optic backbone network connects all buildings on the campus, allowing reliable, high-speed access to college computing resources and to the internet. Ursinus also provides wireless networking in a number of campus locations and buildings and is continuing to expand wireless access. The College provides a laptop computer and printer to each student entering the College; the computer is replaced after two years.

Athletics and Student Activities

Ursinus students find opportunities for education and recreation through a large number of campus organizations. The Campus Activities Board, the primary source of campus-wide programming, provides movies, dances, concerts, trips and opportunities for leadership development. The College sponsors more than 103 clubs and organizations, including 29 clubs for students interested in a particular profession or academic area, numerous religious organizations and special interest groups, performing arts organizations, student publications, club sports and 23 social organizations, which include eight fraternities, five sororities, and seven service groups.

The College is a member of the National Collegiate Athletic Association and the Centennial Conference, which includes Dickinson College, Franklin & Marshall College, Gettysburg College, Haverford College, Swarthmore College and other regional colleges and universities. Men and women at Ursinus participate in twenty-five intercollegiate sports programs. In addition to club programs for sports, the College offers intramural programs for men and women, including basketball, volleyball, softball, tennis, soccer, flag football, indoor field hockey and ultimate Frisbee.

KEY FINANCIAL DATA OF THE COLLEGE

The College's financial accounts are maintained according to generally accepted accounting principles and traditional concepts employed among institutions of higher education. The College accounts for its financial resources using separate net asset groups: unrestricted, temporarily restricted and permanently restricted. These classifications are based on the existence or absence of donor-imposed restrictions.

Set forth in Appendix B to this Official Statement are the audited financial statements of the College as of and for the years ended June 30, 2013 and 2014. Such financial statements have been audited by Grant Thornton LLP. Potential purchasers should read Appendix B in its entirety for more complete information concerning the College's financial position and results of operations.

Historical Operating Results

Below is a summary of the College's Statement of Financial Position for the previous five fiscal years:

	2013-14	2012-13	2011-12	2010-11	2009-10
Assets:					
Cash & cash equivalents	$ 5,349,642	$ 9,500,715	$ 6,548,780	$ 7,102,502	$ 6,583,967
Receivables (net of allowances)	3,151,172	2,880,567	3,698,019	4,726,062	6,164,092
Prepaid expenses and other	1,137,022	1,712,602	1,801,684	1,835,782	1,509,059
Long term investments	168,653,423	140,827,953	132,394,312	138,204,435	116,048,488
Bond issue costs (net of amortization)	899,624	945,856	1,869,077	1,597,828	1,670,084
Land, buildings & equipment (net)	123,484,060	121,975,367	122,980,994	121,568,215	119,880,904
Total assets	$302,674,943	$277,843,060	$269,292,866	$275,034,824	$251,856,594
Liabilities and Net Assets:					
Accounts payable and accrued expenses	$ 5,059,989	$ 5,309,548	$ 5,311,074	$ 6,809,192	$ 7,387,673
Deferred revenues and refundable deposits	1,555,550	1,571,610	1,486,381	1,728,457	1,726,451
Long-term debt and payables	52,661,322	53,976,477	57,987,361	57,454,062	58,779,466
U.S. government grants refundable	1,614,884	1,618,936	1,614,884	1,620,615	1,620,615
Total liabilities	$ 66,399,700	$ 62,476,571	$ 66,399,700	$ 67,612,326	$69,514,205
Net assets:					
Unrestricted	$ 122,053,229	$ 114,851,851	$ 108,830,639	$ 108,115,661	$ 94,983,211
Temporarily restricted	36,455,822	20,198,753	15,513,070	20,375,048	13,636,752
Permanently restricted	83,274,147	80,315,885	78,549,457	78,931,789	73,722,426
Total net assets	$241,783,198	$215,366,489	$202,893,166	$207,422,498	$182,342,389
Total liabilities and net assets	$302,674,943	$277,843,060	$269,292,866	$275,034,824	$251,856,594

Below is a summary of the College's Statement of Activities for the previous five fiscal years:

	2013-14	2012-13	2011-12	2010-11	2009-10
Operating activities:					
Revenues and other additions:					
Net tuition and fees	$ 32,889,070	$ 34,962,973	$ 36,473,609	$ 35,981,345	$ 34,924,107
Room and board	16,944,567	16,757,007	16,413,978	15,927,579	14,754,155
Private contributions and governmental grants & contracts	3,170,224	3,656,761	3,563,538	3,943,086	5,568,453
Endowment and other investment income	5,294,046	5,524,267	5,594,581	6,257,177	6,292,862
Other income	992,386	982,545	958,383	1,308,930	1,543,019
Net realized and unrealized gains/(losses)	231,178	74,919	72,037	54,671	64,825
Total revenues & other additions	$ 59,518,471	$ 61,958,472	$ 63,076,126	$ 63,472,788	$ 63,147,421
Operating expenses:					
Educational and general:					
Instruction	$ 21,773,994	$ 21,694,696	$ 22,894,662	$ 22,651,849	$ 22,282,992
Research	333,264	269,313	308,239	430,358	431,000
Public service	1,003,494	853,122	985,305	895,555	1,053,066
Student services	9,529,871	9,123,371	10,157,725	9,546,427	8,826,492
Room and board and other auxiliary enterprises	10,252,357	9,766,118	10,036,166	9,874,194	9,626,657
Support:					
Academic support	5,626,036	5,629,096	6,880,774	5,709,869	5,607,087
Management and general	11,770,380	11,413,338	11,326,053	11,412,974	11,180,573
Total operating expenses	$ 60,289,396	$ 58,749,054	$ 62,588,924	$ 60,521,226	$ 59,007,867
Change in net assets from operations	$ (770,925)	$ 3,209,418	$ 487,202	$ 2,951,562	$ 4,139,554
Nonoperating activities:					
Private contributions and governmental grants & contracts	12,054,284	1,483,503	2,722,361	5,029,523	6,278,842
Other investment income	298,801	304,510	325,892	164,605	139,605
Net realized & unrealized gains/(losses)	18,111,937	10,901,865	(3,675,325)	20,485,148	9,467,764
Endowment funds provided to operations	(2,816,339)	(3,198,374)	(3,530,053)	(3,726,123)	(3,879,609)
Actuarial gain/(loss) on annuity liabilities	(325,461)	(108,572)	(928,185)	325,843	(241,360)
Other expenses	(135,585)	(119,027)	68,776	(150,449)	(56,374)
Change in net assets from nonoperating activities	$ 27,187,637	$ 9,263,905	$ (5,016,534)	$ 22,128,547	$ 11,708,868

Recognition of postemployment benefit obligations					
Change in net assets	26,416,712	12,473,323	(4,529,332)	25,080,109	15,848,422
Net assets at beginning of year	215,366,489	202,893,166	207,422,498	182,342,389	166,493,967
Net assets at end of year	$241,783,201	$215,366,489	$202,893,166	$207,422,498	$182,342,389

Gifts and Grants

The following table shows total gifts and grants received by the College during the past five academic years:

	2013-14	2012-13	2011-12	2010-11	2009-10
Annual Fund	$ 1,563,414	$ 1,663,113	$ 1,999,729	$ 1,703,454	$ 1,372,495
Capital	9,695,844	690,385	1,097,512	3,036,115	1,225,185
Endowment	1,908,273	875,806	1,033,428	2,417,274	2,410,182
Life income funds	152,394	20,000	137,793	77,276	786,786
Other private gifts and grants	738,324	942,545	490,201	907,720	2,911,054
Government grants and contracts	868,483	1,065,021	2,299,721	1,497,469	2,036,963
Total Cash and Stock gifts	14,926,732	5,256,870	7,058,384	9,639,308	$10,742,665
Change in pledge revenue	297,776	(116,606)	(772,485)	(666,699)	1,104,630
Total Gifts and Grants	$15,224,508	$ 5,140,264	$ 6,285,899	$ 8,972,609	$11,847,295

Fundraising

The College conducts a comprehensive fundraising program with an experienced professional team and a cadre of over 300 volunteers. The fundraising program is directed toward operating funds (The Annual Fund) and capital and endowment needs.

Total gifts received from the major constituencies during the past five academic years are as follows:

	2013-14	2012-13	2011-12	2010-11	2009-10
Alumni	$ 9,551,108	$ 2,427,152	$ 2,312,867	$ 3,525,295	$ 6,187,724
Parents	131,412	132,843	122,302	294,858	246,755
Friends	679,279	406,654	1,039,377	1,544,605	1,077,259
Foundations	3,316,152	1,072,126	1,074,642	764,914	1,030,869
Corporations	437,627	128,208	224,879	117,603	180,475
Other	1,108,930	973,281	1,511,832	2,725,334	3,124,213
Total Gifts and Grants	$15,224,508	$ 5,140,264	$ 6,285,899	$ 8,972,609	$11,847,295

Giving. During the fiscal year ending June 30, 2014, the College received outright cash, stock and in-kind gifts totaling $14,926,732. This total includes strong support of the Annual Fund by alumni, parents and other friends, who have continued to provide an average of $1.7 million in unrestricted operating support to the College over the last four years.

Comprehensive Campaign. Buoyed by the tremendous success of the past fundraising year, the Board of Trustees passed a resolution approving Promises to Keep: The Sesquicentennial Campaign for Ursinus College. The decision to advance this multi-year campaign, which has a working goal of $100 million, was met with unanimous agreement. With the support of the Board, members of the Advancement staff have begun laying the foundation for the campaign and are discussing strategic priorities among alumni and friends of the College. To-date, the College has received over $37M in new gifts and commitments towards the campaign total.

Endowment and Endowment Investments

The College classifies its endowment funds as unrestricted, temporarily restricted and permanently restricted. Unrestricted endowment funds include quasi-endowment funds, which are funds that the Board has designated as endowment. While these funds have been retained for the same purposes as the endowment funds, any portion of quasi-endowment funds may be expended at the discretion of the Board. Permanently restricted endowment funds include principal gifts that have been stipulated by the donors or other parties as nonexpendable. Permanently restricted funds also include life income funds whose ultimate designation is for the permanently restricted endowment. Temporarily restricted endowment funds include gains on endowment investments and life income funds whose ultimate designation is for the temporarily restricted endowment.

At June 30, 2014 and 2013, the market values of the endowment components were as follows:

Endowment Classification	6/30/14	6/30/13
Unrestricted	$ 30,068,306	$ 25,750,163
Temporarily Restricted:		
Realized and Unrealized Gains	22,126,186	13,387,780
Life Income Funds	5,299,828	4,250,508
Permanently Restricted:		
Permanent Endowment Funds	77,124,329	74,258,134
Life Income Funds	4,840,332	4,935,351
Total Endowment Funds	$ 139,458,981	$ 122,581,936

Net realized and unrealized gains on permanently restricted investments are included as temporarily restricted revenues. Commonwealth of Pennsylvania law permits the College to allocate a portion of these net realized gains to unrestricted equity each year. The amount allocated, when added to the income distribution derived from permanently restricted assets, cannot exceed 7% of the three year moving average of the market value of the endowment. The College follows the total return concept of endowment investment and spending. Under this concept, a prudent amount of appreciation earned on investment may be spent in the event that the interest and dividends earned are insufficient to meet that period's spending rate.

The responsibility for establishing investment objectives and policies for the endowment rests with the Board. Authority for specific policies and guidelines for investment management has been delegated to the Investment Committee of the Board. The Vice President for Finance and Administration is responsible for implementing the objectives, policies and guidelines of the Investment Committee. The primary long-term investment objective is to earn a total return that exceeds the long-term inflation rate (as measured by the

Consumer Price Index), covers the costs of managing the funds, and provides annual income in support of the endowment spending policy. The endowment spending policy attempts to balance the long-term objective of maintaining the purchasing power of the endowment with the goal of providing a reasonable, predictable, stable, and sustainable contribution to support current operations. The long-term target is to provide spendable income equal to 5% of the average market value of endowment. Spending is derived from current income and realized capital gains. For the past several years, the asset allocation has been approximately 60% equity investments, 25% fixed income investments or cash and 15% alternative assets.

The following table shows and market values of the Endowment Fund for the last five fiscal years:

Year	Market Value
2009-10	$100,247,070
2010-11	119,634,270
2011-12	113,897,792
2012-13	122,581,936
2013-14	139,458,981

Physical Property

The following table reflects the investment in land, buildings, equipment and collections on an original cost basis, with recognition of accumulated depreciation and net investment for the periods indicated.

Year Ended June 30	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation
2009-10	$169,773,825	$49,892,921	$119,880,904
2010-11	175,128,771	53,560,556	121,568,215
2011-12	180,396,370	57,415,376	122,980,994
2012-13	183,563,058	61,587,691	121,975,367
2013-14	188,632,280	65,148,224	123,484,056

Employee Benefits

There are approximately 210 non-faculty full-time employees of the College, including administration and support staff. There are no unions representing the College's employees.

Retirement benefits are available to all full-time employees through a defined contribution retirement plan through Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF). These programs are mandatory for faculty and administrative staff after one year of full-time service. The College contributes an amount equal to 7% of each employee’s annual base salary; employees are required to contribute at least 4% of their annual base salary. The College is current in its obligations to TIAA and CREF.

In addition to providing pension benefits, the College provides healthcare for retired employees. The College is a member of Emeriti Retirement Health Solution, a consortium of colleges and universities organized to address retiree health care needs. The College contributes $600 per year for any employee who is 40 years of age or older into a Voluntary Employee Beneficiary Association (VEBA) account in the employee’s name. The employee must fully match that contribution, with the option to contribute more than the minimum. Employees are vested in the funds in their accounts and will have access to these funds for use for their postretirement health care needs. The College will have no other healthcare obligations for these employees. The College provides different levels of healthcare insurance for eligible employees who retired prior to July 2005. The College has recorded its past retirement obligations for these retired employees in accordance with ASC 715, Compensation – Retirement Benefits.

Litigation

The College is involved in claims and legal actions arising in the normal course of operations. In the opinion of the administration of the College, outside of the matter discussed below, there is no litigation of any nature pending or threatened wherein an unfavorable decision would have a material adverse impact on the financial condition of the College.

In 2004, the College discovered leaks from two underground storage tanks ("USTs") used to store heating oil on its property, and reported the discovery to the Pennsylvania Department of Environmental Protection ("PADEP") and the Pennsylvania Underground Storage Tank Indemnification Fund ("USTIF"). USTIF is a state agency that reimburses eligible owners of USTs for reasonable and necessary costs of response caused by releases from eligible USTs, and also indemnifies owners of USTs from third-party liability. USTIF also has the right to select counsel to defend against covered claims, and if it elects to do so, the obligation to pay for the litigation fees and costs to provide that defense. USTIF's coverage is $1.5 million for each UST, for a total of $3 million in coverage because leaks were discovered in two USTs. USTIF's payment of defense costs is in addition to this coverage amount.

Several years after discovery of the leaks, an adjacent property owner claimed that heating oil from the College's USTs had migrated from the USTs and contaminated its property. The property owner filed suit in federal court in the Eastern District of Pennsylvania (the "Court") against the College, seeking, among other things, a declaratory judgment and mandatory injunction against the College to require the College to remediate the contamination on the adjacent property, consequential damages alleged as a result of the contamination, and legal fees and costs to pursue the lawsuit. Potential damages and recoverable costs are presently uncertain and disputed. After filing the lawsuit, the plaintiff filed a request for a Preliminary Injunction against the College, which the Court denied. Presently pending before the Court are the College's Motions for Summary Judgment, which, if granted, would result in dismissal of the federal claims, which may result in the dismissal of the entire lawsuit were the Court to decline to retain jurisdiction over the state law claims. The Court heard oral arguments on the College's motions on January 9, 2015 and a ruling by the Court is pending.

USTIF extended coverage to the College and initially assumed the defense of the lawsuit and reimbursement of the remediation costs, subject to a reservation of rights. By letter dated October 27, 2014, USTIF determined that its estimated costs to complete the remediation exceeded what USTIF viewed to be the remaining coverage for the combined claims. Therefore, USTIF tendered to the College $2,013,595.36 and disclaimed any further obligation to defend the College in the pending federal lawsuit, and disclaimed any obligation to pay any future costs to remediate the site, beyond the amount tendered. The College appealed USTIF's determination to tender the remaining limits of coverage and disputed whether USTIF had tendered the remaining amount of coverage available to the College. The appeal was filed with USTIF's Executive Director, which is the first avenue of appeal of a USTIF decision. USTIF's Executive Director affirmed USTIF's right to tender the remaining coverage and to withdraw from the defense of the federal lawsuit, but determined that USTIF had not paid for all of the costs of litigation incurred prior to the tender, and informed the College that USTIF would provide the College with an additional $7,038.26 in reimbursements. The College can appeal the decision of the Administrative Hearings Office of the Pennsylvania Department of Insurance but has not yet determined whether or not to make such appeal. The College has placed the entire amount of funds received from USTIF in an internal reserve fund to be utilized for costs and expenses associated with the lawsuit and the remediation of the property.

The College continues to pursue the remediation of the site in coordination with Pennsylvania's voluntary cleanup program administered by PADEP. PADEP approved the College's Remedial Investigation Report, which is one of the required steps of Pennsylvania's voluntary cleanup program, which requires that the contamination of the site be properly characterized. The owner of the neighboring property appealed PADEP's approval of the Remedial Investigation Report to the Pennsylvania Environmental Hearing Board, and that appeal is pending. Subsequent to PADEP's approval of the College's Remedial Investigation Report, the College submitted a Clean-Up Plan, which proposed measures to remediate the contamination identified in the Remedial Investigation Report. PADEP disapproved the College's Clean-Up Plan citing three reasons, with the primary reason being that the College does not have the consent of the neighboring property owner to perform the work on its property to implement the Clean-Up Plan. PADEP has offered to schedule a meeting between the College and the owner of the neighboring property to facilitate access to implement the Clean-Up Plan. The College is evaluating other options to address the other two grounds for PADEP's denial. In consultation with its environmental consultant, the College continues to assess the costs of implementing the proposed Clean-Up Plan. However, any such cost assessment is preliminary until the Clean-Up Plan is approved by PADEP and ultimately implemented.

No assurances can be given as to whether the College will sustain a loss beyond the reserved funds, or whether any such loss, if sustained, would be material.

Insurance

The College at all times insures its buildings and contents, including those under construction, against losses resulting from fire, with extended coverage providing for repair or replacement without deduction for depreciation. The insurance policies are structured with coverage and deductibles typical for an institution of higher education. All revenues from College operations are insured against loss due to unusable facilities caused by fire and other perils and insured under a business interruption policy. The College has in force comprehensive general and automobile liability policies, including an excess liability umbrella to protect it and its employees from claims arising from its operating activities, whether for personal injury or property damage. The College also has directors' and officers' insurance protecting against errors and omissions of the Board as well as wrongful employment practices liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management believes the primary factors in the College's financial success will continue to rest on the quality of its academic program and the quality of student the program attracts. The College's experience over the past two decades has revealed the inextricable link between program quality, program breadth, and net revenue. In the mid-1990's, the College embarked on a significant effort to reposition itself in the marketplace, placing quality programming at the center of the College's goals. This strategy attracted higher quality students with the ability and willingness to contribute to a larger share of expenses and with a higher likelihood of retention through graduation.

Today, the College has repositioned itself to achieve stronger recognition as a national liberal arts institution. It is rigorous and accessible, having this year been named one of the nation's "Most Economically Diverse Top Colleges" by The New York Times as well as one of the nation's six "Up and Coming" national liberal arts schools by U.S. News. Management is confident it has made the right choices in its commitment to program quality. Management also recognizes in its new strategic plan the need to describe again for a new market of students and families the relevance of the liberal arts; the effectiveness of the academic program for job, and professional and graduate school placement; and the importance of planning and budgeting to ensure a stable and sustainable student body enrollment.

Set forth below is a summary of net student revenue per FTE for the previous five fiscal years. The College has achieved steady growth in net revenue per student over the past decade. Challenges in the economy, and within the national liberal arts sector, remain. Yet, management has confidence in the College's ability to stabilize enrollment at 1,700, achieve annual net revenue per student gains, and maintain the present level of student quality.

	2013-14	2012-13	2011-12	2010-11	2009-10
Net tuition and fees	$32,889,068	$34,962,473	$36,473,609	$35,981,345	$34,924,107
Room and board	16,944,567	16,757,007	16,413,978	15,927,579	14,754,155
Net Student Revenue	$49,833,635	$51,719,980	$52,887,587	$51,908,924	$49,678,262
FTE	1,587	1,661	1,754	1,788	1,726
Net tuition and fees per FTE	$31,401	$31,138	$30,153	$29,032	$28,782
Percentage change per FTE	0.85%	3.27%	3.86%	0.87%	3.01%

Financial Results

The College breaks down its finances between operating and non-operating activities. Operations consist of the primary activities of the College while non-operating activities consist of endowment, student loan and other non-routine activities.

Operating activities. The College's operating revenues consists of about 83.7% from net tuition and fees and room and board and 8.9% support from the endowment. Net tuition and fees declined by 5.9% in 2013-14 due to a decline in the number of students offset by the increase in the tuition rate. Operating expenses, which include the compensation of the faculty and staff as well as the routine expenses including depreciation and debt service increased by 2.6% over the prior year. This included a standard 2% salary increase to faculty and staff. This was offset by lower debt service due to previous refunding of debt.

Non-operating activities. The College's non-operating activities include the results of the endowment fund, student loan funds and capital gifts. In 2013-14 the College received $12,054,284 in contributions, or about $10.6 million higher than the previous year. Contributions included $6.8 million restricted for the science initiative, $1.9 million for endowment and $2.4 million in art-work that was added to the College's art collections. Investment return, primarily from the College's endowment, totaled $18.1 million, which is approximately $6.4 million higher than in 2012-13.

Capital Programs

The College continues to support the renovation of its facilities through its operations. The College has identified the renovation and building of an addition to the science buildings as the primary capital project for fundraising. The estimated cost for the renovation and construction of the science buildings is approximately $40.0 million.

APPENDIX B

URSINUS COLLEGE FINANCIAL STATEMENTS - JUNE 30, 2013 and 2014

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Grant Thornton

Financial Statements and Report of Independent Certified Public Accountants

Ursinus College

June 30, 2014 and 2013

Contents

Grant Thornton

Report of Independent Certified Public Accountants

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The Board of Trustees
Ursinus College

Report on the financial statements

We have audited the accompanying financial statements of Ursinus College (the College), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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 College'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 College'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 Ursinus College as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Philadelphia, PA

October 30, 2014

Ursinus College

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS	2014	2013
Cash and cash equivalents	$ 5,349,643	$ 9,500,715
Accounts receivable, net	435,515	466,332
Prepaid expenses	1,137,022	1,712,602
Pledges receivable, net	1,080,660	849,683
Student loans receivable, net	1,634,997	1,564,552
Deposits with bond trustees	3,560,163	3,427,562
Bond issuance costs (net of accumulated amortization of $181,209 in 2014 and $134,977 in 2013)	899,624	945,856
Investments and funds held in trust by others	164,337,724	136,726,098
Land, buildings, and equipment, net	116,816,190	117,777,324
Collections	6,667,869	4,198,043
Other assets	755,536	674,293
Total assets	$ 302,674,943	$ 277,843,060
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 2,403,578	$ 2,633,807
Accrued payroll	2,067,815	2,028,705
Deferred revenues	682,808	767,021
Refundable deposits	872,742	804,589
Retirement obligations	588,594	647,036
Annuities payable	6,333,277	6,496,393
Conditional asset retirement obligations	1,758,631	1,723,346
Long-term debt	44,569,414	45,756,738
U.S. government grants refundable	1,614,883	1,618,936
Total liabilities	60,891,742	62,476,571
Net assets		
Unrestricted	122,053,232	114,851,851
Temporarily restricted	36,455,822	20,198,753
Permanently restricted	83,274,147	80,315,885
Total net assets	241,783,201	215,366,489
Total liabilities and net assets	$ 302,674,943	$ 277,843,060

The accompanying notes are an integral part of these financial statements.

Ursinus College

STATEMENT OF ACTIVITIES

For the year ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating activities				
Revenues and other additions				
Tuition and fees	$ 69,791,197	$ -	$ -	$ 69,791,197
Less student aid	(36,902,127)	-	-	(36,902,127)
Net tuition and fees	32,889,070	-	-	32,889,070
Room and board	16,944,567	-	-	16,944,567
Contributions	1,711,305	590,436	-	2,301,741
Government grants and contracts	868,483	-	-	868,483
Endowment funds used for operations	5,213,485	52,891	-	5,266,376
Other investment income	23,196	1,474	-	24,670
Other auxiliary enterprises	62,732	-	-	62,732
Other income	929,654	-	-	929,654
Net realized and unrealized gains	231,178	-	-	231,178
Net assets released from restrictions	911,167	(911,167)	-	-
Total revenues and other additions	59,784,837	(266,366)	-	59,518,471
Operating expenses				
Educational and general				
Instruction	21,773,994	-	-	21,773,994
Research	333,264	-	-	333,264
Public service	1,003,494	-	-	1,003,494
Student services	9,529,871	-	-	9,529,871
Auxiliary enterprises	10,252,357	-	-	10,252,357
Support				
Academic support	5,626,036	-	-	5,626,036
Management and general	11,770,380	-	-	11,770,380
Total operating expenses	60,289,396	-	-	60,289,396
Change in net assets from operating activities	(504,559)	(266,366)	-	(770,925)
Nonoperating activities				
Contributions	3,035,883	7,113,942	1,904,459	12,054,284
Other investment income	34,375	234,830	29,596	298,801
Net realized and unrealized gains	4,317,643	12,460,302	1,333,992	18,111,937
Endowment funds provided to operations	(2,816,339)	-	-	(2,816,339)
Actuarial loss on annuities payable	-	(15,676)	(309,785)	(325,461)
Other expenses	(135,585)	-	-	(135,585)
Net assets released from restrictions	3,269,963	(3,269,963)	-	-
Change in net assets from nonoperating activities	7,705,940	16,523,435	2,958,262	27,187,637
Change in net assets	7,201,381	16,257,069	2,958,262	26,416,712
Net assets at beginning of year	114,851,851	20,198,753	80,315,885	215,366,489
Net assets at end of year	$ 122,053,232	$ 36,455,822	$ 83,274,147	$ 241,783,201

The accompanying notes are an integral part of this financial statement.

Ursinus College

STATEMENT OF ACTIVITIES

For the year ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating activities				
Revenues and other additions				
Tuition and fees	$ 70,869,625	$ -	$ -	$ 70,869,625
Less student aid	(35,906,652)	-	-	(35,906,652)
Net tuition and fees	34,962,973	-	-	34,962,973
Room and board	16,757,007	-	-	16,757,007
Contributions	1,771,174	834,486	-	2,605,660
Government grants and contracts	1,051,101	-	-	1,051,101
Endowment funds used for operations	5,350,582	42,175	-	5,392,757
Other investment income	130,405	1,105	-	131,510
Other auxiliary enterprises	197,448	-	-	197,448
Other income	785,097	-	-	785,097
Net realized and unrealized gains	74,919	-	-	74,919
Net assets released from restrictions	424,021	(424,021)	-	-
Total revenues and other additions	61,504,727	453,745	-	61,958,472
Operating expenses				
Educational and general				
Instruction	21,694,696	-	-	21,694,696
Research	269,313	-	-	269,313
Public service	853,122	-	-	853,122
Student services	9,123,371	-	-	9,123,371
Auxiliary enterprises	9,766,118	-	-	9,766,118
Support				
Academic support	5,629,096	-	-	5,629,096
Management and general	11,413,338	-	-	11,413,338
Total operating expenses	58,749,054	-	-	58,749,054
Change in net assets from operating activities	2,755,673	453,745	-	3,209,418
Nonoperating activities				
Contributions	620,109	141,069	708,405	1,469,583
Government grants and contracts	13,920	-	-	13,920
Other investment income	37,036	238,554	28,920	304,510
Net realized and unrealized gains	2,664,403	7,840,914	1,221,473	11,726,790
Loss on retirement of long-term debt	(824,925)	-	-	(824,925)
Endowment funds provided to operations	(3,198,374)	-	-	(3,198,374)
Actuarial gain (loss) on annuities payable	-	83,798	(192,370)	(108,572)
Other expenses	(119,027)	-	-	(119,027)
Net assets released from restrictions	4,072,397	(4,072,397)	-	-
Change in net assets from nonoperating activities	3,265,539	4,231,938	1,766,428	9,263,905
Change in net assets	6,021,212	4,685,683	1,766,428	12,473,323
Net assets at beginning of year	108,830,639	15,513,070	78,549,457	202,893,166
Net assets at end of year	$ 114,851,851	$ 20,198,753	$ 80,315,885	$ 215,366,489

The accompanying notes are an integral part of this financial statement.

Ursinus College

STATEMENTS OF CASH FLOWS

For the years ended June 30,

	2014	2013
Cash flows from operating activities		
Change in net assets	$ 26,416,712	$ 12,473,323
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	4,029,304	4,172,315
Accretion of asset retirement obligations	35,285	33,458
Net unrealized and realized gains on investments	(18,343,114)	(11,801,709)
Bond premium amortization	(92,324)	(160,209)
Amortization of bond issuance costs	46,232	67,622
Loss on retirement of long-term debt	-	824,925
Loss on unamortized bond issuance cost	-	1,149,559
Payments to annuitants	733,904	843,525
Actuarial loss on annuities payable	325,461	108,572
Non-cash contribution received	(2,465,010)	(189,860)
Contributions restricted for long-term investment and annuity contracts	(9,078,693)	(1,369,093)
Income reinvested	(29,596)	(28,919)
Changes in assets and liabilities		
Accounts receivable	29,985	433,069
Accrued income receivable	832	(704)
Prepaid expenses	575,580	89,082
Pledges receivable	(230,977)	173,673
Accounts payable and accrued expenses	(262,998)	(126,957)
Accrued payroll	39,110	(159,799)
Deferred revenues	(84,213)	134,375
Refundable deposits	68,153	(49,146)
Retirement obligations	(58,442)	(235,255)
Net cash provided by operating activities	1,655,191	6,381,847
Cash flows from investing activities		
Purchases of property, equipment and collections	(3,040,217)	(2,456,343)
Proceeds from sales and maturities of investments	74,884,889	47,262,966
Purchases of investments	(84,863,933)	(45,209,397)
Payments on loans receivable	348,687	308,698
Loans issued to students	(415,075)	(81,917)
Net cash used in investing activities	(13,085,649)	(175,993)
Cash flows from financing activities		
Contributions received restricted for long-term investment	8,926,299	1,349,093
Contributions received restricted for investments in annuity contracts	152,394	20,000
Proceeds from issuance of long-term debt	-	12,880,000
Payments on long-term debt	(1,095,000)	(16,394,447)
Bond issuance costs	-	(293,960)
Payments to annuitants	(733,903)	(843,525)
Receipts of dividends and interest restricted for reinvestment	29,596	28,920
Net cash provided by (used in) financing activities	7,279,386	(3,253,919)
Net (decrease) increase in cash and cash equivalents	(4,151,072)	2,951,935
Cash and cash equivalents at beginning of year	9,500,715	6,548,780
Cash and cash equivalents at end of year	$ 5,349,643	$ 9,500,715

Supplemental disclosures:

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Operations

Ursinus College (the College) is an independent, four-year liberal arts college founded in 1869. The mission of the College is to enable students to become independent, responsible, and thoughtful individuals through a program of liberal education. The College enrolls approximately 1,600 full-time students, approximately 93% of whom live in College residence halls. During the 2013-2014 academic year, the College provided education to 1,587 full-time-equivalent day students from 29 states and 14 countries.

The College provides facilities for the Saint Joseph's University Masters in Business Administration program, which attracts approximately 75 part-time evening students.

2. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The College's financial statements are presented in accordance with the financial reporting requirements for not-for-profit organizations, which include three basic financial statements and the classification of resources into three separate classes of net assets, as follows:

Unrestricted - Net assets that are free of donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the board of trustees.

Temporarily Restricted - Net assets whose use by the College is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the College pursuant to these stipulations.

Permanently Restricted - Net assets whose use by the College is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the College. Generally, the donors of these assets permit the College to use all or part of the investment income on related investments for general or specific purposes. Such assets primarily include the College's permanent endowment fund.

3. Contributions and Related Expenses

Contributions are recognized as revenue when received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value on the date of donation. Gifts of cash and other noncapital assets are reported as unrestricted operating revenue if the gifts were received with no restrictions or if the specified restrictions have been satisfied within the current fiscal year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pledges to be received after one year are recorded at fair value using a discount rate commensurate with the collection period of the gift investment. Amortization of the discount is recorded as additional contribution revenue.

Costs incurred for fund-raising activities are expensed as incurred. Total fund-raising costs, included in management and general expenses, were $2,917,403 and $2,712,715 in 2014 and 2013, respectively.

4. Cash Equivalents

Cash equivalents represent demand deposits and other investments held by the College with original maturity dates not exceeding 90 days.

5. Deferred Revenues

Deferred revenues relate to tuition and matriculation deposits and other payments for the upcoming fall semester that are received prior to fiscal year-end.

6. Student Loans Receivable

As of June 30, 2014 and 2013, student loans receivable are stated net of an allowance for doubtful loans. Uncollectible Federal Perkins Loans are not written off until approved for write-off or accepted for assignment by the U.S. Department of Education.

7. Allowances for Doubtful Accounts

The allowances for doubtful accounts and pledges receivable are provided based upon management's judgment, including such factors as prior collection history and type of receivable. The College writes off receivables when they become uncollectible, and payments subsequently received on such receivables are credited to the provision for doubtful accounts.

8. Investments

Investments comprise all classes of investments held and invested by the College's professional portfolio managers. Investments with readily determinable market values are reported in the financial statements at fair value based on quoted market prices. The estimated fair value of alternative investments such as hedge funds and private equity interests are based on net asset value as provided by the external investment managers as a practical expedient for fair value. See Note A18 for additional information.

Gains or losses on investments other than endowment funds are recognized as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Gains or losses on endowment investments not otherwise restricted are recognized as increases or decreases in temporarily restricted net assets in accordance with Commonwealth of Pennsylvania law (Note L).

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost at the date of purchase or fair value at date of donation in the case of gifts. Accumulated depreciation is computed on a straight-line basis over the estimated useful lives of the assets: 50 years for buildings and certain improvements, 20 years for building improvements, and 5 years for furniture and equipment.

10. Collections

In 1989, the College opened the Philip and Muriel Berman Museum of Art. The collection contained therein is valued at the fair market value at the date of acquisition or date of gift. Fair market value for gifts of art is determined by independent appraisals.

Gains or losses on the deaccession of collection items are classified on the statement of activities as unrestricted or temporarily restricted support depending on donor restrictions, if any, placed on the item at the time of accession. There were no deaccessions of the collections recorded in the years ended June 30, 2014 and 2013. The College added $2,469,826 and $189,859 to the collections for the years ended June 30, 2014 and 2013, respectively.

11. Annuities Payable

Annuities payable represent the net present value of expected future payments to beneficiaries designated under annuity gift agreements. Adjustments related to changes in estimates of future payments to beneficiaries and actuarial assumptions are recorded as actuarial gains or losses. Included in investments on the statements of financial position for the years ended June 30, 2014 and 2013 is $4,338,871 and $4,566,814, respectively, as reserves for future payments of annuities payable.

12. Conditional Asset Retirement Obligations

A conditional asset retirement obligation is a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The College records a liability to perform the asset retirement activity.

13. Functional Expenses

Operation and maintenance expenses, depreciation of plant assets and interest on long-term debt are allocated to program and supporting activities based upon the primary use of the facilities.

14. Nonoperating Activities

The College considers endowment gifts, capital contributions and grants and related expenditures, net realized and unrealized gains and losses on investments, actuarial gains and losses on annuities payable, gains and losses on the disposition of property and equipment, loss on retirement of debt, revenue and expenses related to loan funds and trusts, and unusual nonrecurring transactions to be nonoperating activities.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

15. Tax-Exempt Status

Under the provisions of Internal Revenue Code Section 501(c)(3) and the applicable income tax regulations of Pennsylvania, the College is exempt from taxes on income other than unrelated business income.

The College recognizes or derecognizes a tax position based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The College does not believe its financial statements include any material uncertain tax positions. As of June 30, 2014, the College's tax years ended June 30, 2011 through June 30, 2013 for federal tax jurisdiction remain open to examination.

16. Management Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant management estimates and assumptions relate to the determination of allowances for doubtful accounts for student accounts, loans and pledges receivable; alternative investment values; useful lives of fixed assets; conditional asset retirement obligations; functional expense allocation and annuities payable. Actual results could differ from those estimates.

17. Concentration of Credit Risk

Cash, cash equivalents and investments are exposed to various risks, such as interest rate, market volatility, and credit. To minimize such risks, the College has a diversified investment portfolio managed by several independent investment managers in a variety of asset classes. The College regularly evaluates its investments including performance thereof. The College maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federal insured limits. The College's cash accounts were placed with high credit quality financial institutions. Due to inherent risks and potential volatility in investment valuations, the amounts reported in the accompanying financial statements can vary substantially from year to year. It is reasonably possible that changes in investments will occur in the near term and such changes could materially affect amounts reported in the accompanying financial statements.

18. Fair Value Measurements

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. The College measures its investments, certain split-interest agreements, and contributions receivable (at inception) at fair value. Additionally, the College discloses the fair value of its outstanding debt. The College's valuation methodologies for each of these items are described below.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments

Investments are recorded at fair value as described in Note E. Additional considerations used to categorize investments include:

Cash and Money Market Funds

Cash and money market funds are valued based on stated values. These funds are valued at Level 1.

U.S. Government Obligations

U.S. government securities are generally valued at the closing price reported in the active market in which the individual security is traded.

Debt securities, including corporate and international securities, are valued at the closing price reported in the active market in which the bond is traded, if available, and classified as Level 1 in the fair value hierarchy. If such information is not available, debt is valued based on yields currently available on comparable securities for issuers with similar credit ratings and classified in Level 2 of the fair value hierarchy.

Mutual Funds

Mutual funds, including equity, fixed income, and international mutual funds, are valued at the closing price of the traded fund at the statement of financial position date. To the extent these mutual funds are actively traded, they are categorized in Level 1 of the fair value hierarchy.

Equity Securities, Common Stocks and Commodities

Securities, including common stocks and commodities funds, are traded on a national securities exchange. These securities are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, they are categorized in Level 1 of the fair value hierarchy.

Real Estate Fund

This fund invests in publicly traded securities of real estate companies. These investments are considered Level 1 as the underlying equities are publicly traded.

Alternative Investments

Valuations for alternative investments, including debt and equity funds, private partnerships, and other alternative investments, are based on net asset value (NAV) provided by external investment managers or on audited financial statements when available. NAV provided by external investment managers are based on estimates, assumptions, and methods that are reviewed by management and, therefore, alternative investments have been classified as Level 3 in the fair value hierarchy.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Other

These include an absolute return fund, life insurance policies that support donor charitable gift annuities held by the College and other investments held by the College.

The College uses NAV per share as reported by investment managers as a practical expedient of fair value without further adjustment for its investments in alternative investments for which there is no readily determinable market value. NAV may differ from fair value.

Funds Held in Trust by Others

The College's beneficial interest in trusts held by others is recorded at fair value based on the fair value of the trust's holdings as reported by the trustee or the NAV of the trust or entity.

Deposits with Bond Trustees

Deposits with bond trustees consist of short-term investments including repurchase agreements and U.S. government obligations and are restricted for debt service reserves. These are considered Level 1 in the fair value hierarchy.

Pledges Receivable

The College values pledges receivable at fair value on the date the gift is received using the present value of future cash flows, as described in Note B. Pledges receivable are not measured at fair value subsequent to this initial measurement.

NOTE B - PLEDGES RECEIVABLE

The College records unconditional promises to give as pledges receivable. Pledges that were due beyond one year when initiated were discounted at discount rates that range from 0.21% to 4.87%.

At June 30, information on pledges receivable is as follows:

	2014	2013
Less than one year	$ 495,620	$ 434,731
One to five years	685,715	504,756
More than five years	19,398	28,876
Total pledges	1,200,733	968,363
Allowance and discount for uncollectible pledges	(120,073)	(118,680)
	$ 1,080,660	$ 849,683

At June 30, 2014 and 2013, the unamortized discount was $9,089 and $4,237, respectively.

NOTE C - ACCOUNTS RECEIVABLE

At June 30, information on accounts receivable is as follows:

	2014	2013
Students	$ 77,698	$ 230,535
Employees	13,672	15,380
Research and development grants	86,725	122,376
Accrued interest	-	832
Other	342,492	233,789
Total accounts receivable	520,587	602,912
Allowance for uncollectible receivables	(85,072)	(136,580)
	$ 435,515	$ 466,332

NOTE D - CREDIT QUALITY OF STUDENT LOANS RECEIVABLE

Student Loans Receivable

The College makes uncollateralized loans to students based on financial need. Student loans are funded through federal government loan programs or institutional resources. At June 30, 2014 and 2013, student loans represented 0.5% and 0.6% of total assets, respectively.

At June 30, student loans consisted of the following:

	2014	2013
Federal government programs	$ 1,831,229	$ 1,751,293
Institutional programs	17,327	29,231
	1,848,556	1,780,524
Less allowance for doubtful accounts:		
Beginning of year	(215,972)	(215,593)
Decreases (increases)	2,379	(19,447)
Write-offs	34	19,068
End of year	(213,559)	(215,972)
Student loans receivable, net	$ 1,634,997	$ 1,564,552

(Continued)

NOTE D - CREDIT QUALITY OF STUDENT LOANS RECEIVABLE - Continued

The College participates in various federal revolving loan programs. The availability of funds for loans under these programs is dependent on reimbursements to the pool from repayments on outstanding loans. Funds advanced by the federal government of approximately $1,615,000 and $1,619,000 at June 30, 2014 and 2013, respectively, are ultimately refundable to the government and are classified as liabilities in the statements of financial position. Outstanding loans cancelled under the program result in a reduction of the funds available for loan.

At June 30, 2014 and 2013, the following amounts were past due under student loan programs:

Year ended June 30,	Less than 240 days past due	240 days - 2 years past due	2 - 5 years past due	Over 5 years past due	Total past due
2014	$ 167,122	$ 56,755	$ 112,531	$ 156,884	$ 493,292
2013	179,853	84,339	139,700	124,509	528,401

Allowances for doubtful accounts are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Institutional loan balances are written off only when they are deemed to be permanently uncollectible. Amounts due under the Perkins Loan Program are guaranteed by the government and, therefore, no reserves are placed on any past-due balances under the program.

NOTE E - INVESTMENTS AND FAIR VALUE MEASUREMENTS

There are 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 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations whose inputs are observable or whose primary values are observable.

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. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity funds and certain other alternative investments.

(Continued)

NOTE E - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

The following tables present the College's fair value hierarchy for assets measured at fair value on a recurring basis as of June 30, 2014 and 2013:

	Fair value investments at June 30, 2014			Fair value
	Level 1	Level 2	Level 3	2014
Investments				
Cash and money market funds	$ 25,784,754	$ -	$ -	$ 25,784,754
U.S. government obligations	6,783,996	1,000	-	6,784,996
Fixed-income mutual funds	21,583,820	-	-	21,583,820
International fixed income mutual funds	107,410	-	-	107,410
Common stocks	16,612	-	-	16,612
Equity mutual funds	35,861,387	-	-	35,861,387
International equity mutual funds	41,775,705	-	-	41,775,705
Commodities fund	9,243,495	-	-	9,243,495
Real estate fund	1,799,339	-	-	1,799,339
Alternative investments:				
Hedge fund:				
Total return	-	-	5,568,095	5,568,095
Arbitrage	-	-	335,862	335,862
Private equity:				
Private equity	-	-	1,131,185	1,131,185
Distressed debt	-	-	1,880,775	1,880,775
Special opportunities	-	-	1,797,236	1,797,236
Other	-	514,273	298,162	812,435
Funds held in trust by others (1)	-	-	9,854,618	9,854,618
Total investments	142,956,518	515,273	20,865,933	164,337,724
Deposits with bond trustees	3,560,163	-	-	3,560,163
Total assets	$ 146,516,681	$ 515,273	$ 20,865,933	$ 167,897,887

(Continued)

NOTE E - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

	Fair value investments at June 30, 2013			Fair value
	Level 1	Level 2	Level 3	2013
Investments				
Cash and money market funds	$ 8,191,996	$ -	$ -	$ 8,191,996
U.S. government obligations	7,029,006	1,000	-	7,030,006
Fixed-income mutual funds	21,976,901	-	-	21,976,901
International fixed income mutual funds	87,838	-	-	87,838
Common stocks	301,670	-	-	301,670
Equity mutual funds	36,634,288	-	-	36,634,288
International equity mutual funds	36,588,306	-	-	36,588,306
Commodities fund	7,784,725	-	-	7,784,725
Alternative investments:				
Hedge fund:				
Total return	-	-	5,319,970	5,319,970
Arbitrage	-	-	557,487	557,487
Private equity:				
Private equity	-	-	758,926	758,926
Distressed debt	-	-	1,879,938	1,879,938
Other	-	437,742	179,942	617,684
Funds held in trust by others (1)	-	-	8,996,363	8,996,363
Total investments	118,594,730	438,742	17,692,626	136,726,098
Deposits with bond trustees	3,427,562	-	-	3,427,562
Total assets	$ 122,022,292	$ 438,742	$ 17,692,626	$ 140,153,660

(1) Included in funds held in trust by others (FHITBO) is a 50% share of a managed trust fund (equities and REITs), an irrevocable, charitable trust (mutual funds) and a total return trust (mutual funds and partnerships).

There were no transfers into or out of levels 1, 2 and 3 for the years ended June 30, 2014 and 2013.

All investments in the alternative investment category are valued at estimated fair value using NAV per share as a practical expedient. A description of these investments, their liquidity and redemption features follows.

Total Return Fund

This fund's objective is to maximize risk-adjusted returns and achieve low correlation to the equity markets by investing in a diversified group of pooled investment vehicles both within and outside the United States. The College may redeem on a quarterly basis with 60 days written notice.

NOTE E - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

Arbitrage Fund

This fund's objective is to develop and actively maintain an investment portfolio of alternative asset managers that will seek to earn above-average, risk-adjusted long-term returns with low correlation to traditional equity and fixed income markets. During the year ended December 31, 2009, the fund received redemption requests from shareholders that could not be entirely satisfied solely through distribution of cash as a result of the fund's investments in certain investment funds that were illiquid. The fund is now in liquidation. As it receives distributions from the illiquid investments funds and satisfies its liabilities, net proceeds will periodically be distributed to all shareholders on a pro rata basis. The College received $248,916 from the fund during the year ended June 30, 2014, and the remaining balance of $335,862 is nonredeemable and will be paid out as funds become available through the liquidation process.

Private Equity

The College has a total capital commitment of $1,870,000 to these funds, of which $828,789 is currently unfunded. The objective of the funds is to realize a long-term total return by investing in a diversified group of pooled investment vehicles. The funds may invest in any of the following strategies: venture, buyout, distressed, real estate, fund of funds and secondaries. These funds are not redeemable, and capital will be returned throughout the life of the funds as investments provide a cash flow stream or are liquidated. The remaining term of these funds is 12 years.

Private Equity - Distressed Debt Funds

The College has a total capital commitment of $4,750,000 to these funds, of which $947,761 is currently unfunded. The funds invest directly and indirectly in the securities of entities which are experiencing financial difficulties. These funds are not redeemable, and capital will be returned to investors through liquidation upon termination of the funds. Remaining lives of the funds are estimated at between 4 and 10 years.

Special Opportunities

The College has a total capital commitment of $5,000,000 to these funds, of which $3,197,728 is currently unfunded. The funds are permitted to make any and all types of investment that may present an attractive investment opportunity at that time. The overall investment horizon for each fund is about 5 to 7 years. Similar to private equity, there are no redemption rights and the investments should be considered illiquid.

NOTE E - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

The following tables present assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2014 and 2013:

Investment type	Total return hedge fund	Arbitrage hedge fund	Private equity	Distressed debt	Special opportunities	Other (Glenmede)	Funds held in trust by others	Total Level 3 investments
2014								
Beginning balance	$ 5,319,970	$ 557,487	$ 758,926	$ 1,879,938	$ -	$ 179,942	$ 8,996,363	$ 17,692,626
Gains (realized and unrealized)	248,125	27,291	159,741	410,244	9,437	10,820	976,072	1,841,730
Losses (realized and unrealized)	-	-	-	-	(14,421)	(232)	-	(14,653)
Purchases	-	-	225,093	79,241	1,948,468	112,836	5,416	2,371,054
Settlements	-	(248,916)	(12,575)	(488,648)	(146,248)	(5,204)	(123,233)	(1,024,824)
Transfers	-	-	-	-	-	-	-	-
	$ 5,568,095	$ 335,862	$ 1,131,185	$ 1,880,775	$ 1,797,236	$ 298,162	$ 9,854,618	$ 20,865,933
2013								
Beginning balance	$ 4,772,563	$ 942,895	$ 410,109	$ 2,477,965	$ -	$ 179,113	$ 8,548,004	$ 17,330,649
Gains (realized and unrealized)	547,407	85,603	25,639	527,002	-	829	472,921	1,659,401
Losses (realized and unrealized)	-	-	-	(52,023)	-	-	(2,510)	(54,533)
Purchases	-	-	328,837	116,538	-	-	14,498	459,873
Settlements	-	(471,011)	(5,659)	(1,189,544)	-	-	(36,550)	(1,702,764)
Transfers	-	-	-	-	-	-	-	-
	$ 5,319,970	$ 557,487	$ 758,926	$ 1,879,938	$ -	$ 179,942	$ 8,996,363	$ 17,692,626

Return on the College's cash and investments for the years ended June 30, 2014 and 2013 is as follows:

	2014	2013
Interest and dividends	$ 3,265,228	$ 3,119,074
Investment fees	(491,720)	(488,670)
Realized gains	9,867,343	7,241,615
Unrealized gains	8,475,772	4,560,094
	$ 21,116,623	$ 14,432,113

(Continued)

NOTE E - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

The total investment return for the College is shown in the statements of activities as follows:

	2014	2013
Operating activities:		
Endowment funds used for operations	$ 5,266,376	$ 5,392,757
Other investment income	24,670	131,510
Net realized and unrealized gains	231,178	74,919
Nonoperating activities:		
Endowment funds provided to operations	(2,816,339)	(3,198,374)
Other investment income	298,801	304,510
Net realized and unrealized gains	18,111,937	11,726,790
	$ 21,116,623	$ 14,432,112

NOTE F - LAND, BUILDINGS, AND EQUIPMENT

The components of land, buildings, and equipment at June 30, were as follows:

	2014	2013
Nondepreciable assets, primarily land	$ 792,618	$ 567,618
Buildings and improvements	172,720,273	169,558,287
Furniture and equipment	7,573,492	7,568,380
Construction in progress	878,027	1,670,730
	181,964,410	179,365,015
Less accumulated depreciation	(65,148,220)	(61,587,691)
	$ 116,816,190	$ 117,777,324

The College has outstanding commitments on construction contracts of $605,466 and $172,108 as of June 30, 2014 and 2013, respectively.

Depreciation expense was $4,029,304 and $4,172,315 for the years ended June 30, 2014 and 2013, respectively.

NOTE G - LONG-TERM DEBT

Total long-term debt consisted of the following at June 30, 2014 and 2013:

	2014	2013
PHEFA College Revenue Bonds - Series of 2006	$ 12,920,000	$ 13,095,000
PHEFA College Revenue Bonds - Series of 2012	17,345,000	17,965,000
PHEFA College Revenue Bonds - Series of 2013	12,580,000	12,880,000
	42,845,000	43,940,000
Plus unamortized bond premium	1,724,414	1,816,738
	$ 44,569,414	$ 45,756,738

The College's principal obligations for all long-term debt are due as follows:

Year ending June 30,	
2015	$ 1,280,000
2016	1,340,000
2017	1,380,000
2018	1,430,000
2019	1,480,000
Thereafter	35,935,000
	$ 42,845,000

Fair value is estimated based on the quoted market prices for the same or similar issues or on the net present value of the expected future cash flows using current interest rates. The estimated fair value of the College's debt is $45,226,442 and $44,709,526 as of June 30, 2014 and 2013, respectively.

1. PHEFA College Revenue Bonds, Series of 2006 (Ursinus College)

In February 2006, the College issued $14,000,000 of revenue bonds to pay for the costs of the planning, designing, acquiring, constructing, furnishing, and equipping of a new student residence hall to be located on the College's campus, and to plan, design, acquire, construct, renovate, remodel, furnish, equip, and improve other facilities and buildings, including Bomberger Hall. These serial bonds began repayment on January 1, 2008, with the final payment due January 1, 2036, with interest rates of these fixed rate revenue bonds ranging from 4.00% to 5.00% during the remaining term of the bonds. In accordance with the bond issue, the College must meet certain financial covenants related to the issuance of additional debt or guarantees and coverage of the College's debt service requirements as stipulated with the College's 2003 Series bonds, which were retired with the College's 2012 and 2013 Series bonds. The College is in compliance with these covenants for the year ended June 30, 2014.

(Continued)

NOTE G - LONG-TERM DEBT - Continued

2. PHEFA College Revenue Bonds, Series of 2012 (Ursinus College)

In May 2012, the College issued $18,865,000 of revenue bonds as an advanced refunding of a portion of the College's PHEFA Series 2003 revenue bonds. These serial bonds began repayment on January 1, 2013, with the final payment due January 1, 2033. Interest rates of these fixed rate revenue bonds range from 2.00% to 5.00% during the term of the bonds. In accordance with the bond issue, the College must follow the same financial covenants as stipulated with the College's 2003 Series bonds, which they are in compliance with for the year ended June 30, 2014.

3. PHEFA College Revenue Bonds, Series of 2013 (Ursinus College)

In April 2013, the College issued $12,880,000 of revenue bonds as a current refunding of the remaining portion of the College's PHEFA Series 2003 revenue bonds. These serial bonds begin repayment on January 1, 2014, with the final payment due January 1, 2033. Interest rates of these fixed rate revenue bonds range from 3.00% to 5.00% during the term of the bonds. In accordance with the bond issue, the College must follow the same financial covenants as stipulated with the College's 2003 Series bonds, which they are in compliance with for the year ended June 30, 2014.

4. Interest

Interest expense in 2014 and 2013 was $1,784,528 and $1,866,092, respectively.

NOTE H - NET ASSETS

Included in unrestricted net assets is $30,068,306 and $25,750,163 of board-designated endowment funds at June 30, 2014 and 2013, respectively.

The temporarily and permanently restricted net asset classes consisted of the following at June 30,

	2014	2013
Temporarily restricted net assets:		
Unexpended gifts for instruction, scholarships and capital expenditures	$ 8,065,015	$ 1,824,458
Pledges	964,793	736,008
Annuity and life income funds	5,877,134	4,250,508
Endowment - accumulated realized and unrealized investment gains unexpended for instruction, scholarships and capital expenditures (Note L)	21,548,880	13,387,779
	$ 36,455,822	$ 20,198,753

(Continued)

NOTE H - NET ASSETS - Continued

	2014	2013
Permanently restricted net assets:		
Annuity and life income funds	$ 4,345,292	$ 4,440,311
Student loans	1,309,486	1,122,399
Endowment principal:		
General endowment	33,094,367	32,154,397
Scholarship and prizes	29,527,893	28,404,814
Endowed chairs	14,356,202	13,585,248
Pledges	145,867	113,676
Endowment - accumulated realized and unrealized investment gains	495,040	495,040
	$ 83,274,147	$ 80,315,885

NOTE I - NET ASSETS RELEASED FROM RESTRICTIONS AND ENDOWMENT SPENDING RULE

At June 30, the composition of net assets released from restrictions on the statements of activities was as follows:

	2014	2013
Net assets released from restrictions:		
Donor restrictions met	$ 1,364,791	$ 1,298,044
Endowment gains under spending rule (see Note L)	2,816,339	3,198,374
	$ 4,181,130	$ 4,496,418

The total used from endowment is composed of endowment investment interest and dividends, less fees, and accumulated gains to the extent necessary to meet the approved spending rate. The composition of the total used is as follows:

	2014	2013
Endowment funds (including funds functioning) used for operations:		
Endowment interest and dividends	$ 2,450,042	$ 2,194,383
Accumulated realized and unrealized investment gains	2,816,339	3,198,374
Total expended under spending rate	$ 5,266,381	$ 5,392,757

NOTE J - POSTRETIREMENT BENEFIT PLANS

(Emeriti program)

In July 2005, the College revised its postretirement healthcare program for other than existing retirees receiving benefits under the plan. The College joined Emeriti Retirement Health Solution, a consortium of colleges and universities organized to address retiree healthcare needs. The College deposits a set amount for each employee who is 40 years of age or older into a Voluntary Employee Benefits Associations account in the employee's name. Employees will have access to these funds to use for their postretirement healthcare needs. Because the College is prefunding retiree healthcare costs in a defined contribution account, it will have no future obligation for these costs when active employees retire. Current retirees' healthcare benefits will continue to be funded through the plan in place prior to June 30, 2005. Total College contributions to the Emeriti plan were $149,896 and $151,417 for the years ended June 30, 2014 and 2013, respectively.

(Postretirement benefits other than pensions)

The following schedules show the status of the postretirement medical and life insurance benefits plan for existing retirees, the components of the cost of postretirement benefits other than pensions, and assumptions at June 30,:

	2014	2013
Interest cost	$ 25,969	$ 33,627
	$ 25,969	$ 33,627

Reconciliation of the funded status is as follows:

	2014	2013
Accumulated postretirement benefit obligation (APBO):		
Retirees	$ 588,594	$ 647,036
Active employees fully eligible	-	-
Active employees not yet fully eligible	-	-
Total	588,594	647,036
Fair value of plan assets	-	-
APBO in excess of plan assets	588,594	647,036
Unrecognized net gain	-	-
Accrued postretirement benefit cost	$ 588,594	$ 647,036

(Continued)

NOTE J - POSTRETIREMENT BENEFIT PLANS - Continued

The assumed healthcare cost trend rate for fiscal year 2013 is 8%, grading down to an ultimate level of 3% over the next five years, 2018. Increasing the healthcare trend rate by 1% each year would increase the accumulated postretirement benefit obligation by $51,963 as of June 30, 2014, and the aggregate of the service cost and interest cost components of net periodic postretirement benefit cost for the year by $1,529. Decreasing the healthcare trend rate by 1% each year would decrease the accumulated postretirement benefit obligation by $43,875 as of June 30, 2014, and the aggregate of the service cost and interest cost components of net periodic postretirement benefit cost for the year by $1,398. The discount rate used in determining the accumulated postretirement benefit obligation was 4.25% at June 30, 2014 and 2013.

The benefits paid under this plan were $72,971 and $77,788 for the years ended June 30, 2014 and 2013, respectively.

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

Year ending June 30,		
2015	$	66,440
2016		65,719
2017		64,059
2018		61,505
2019		58,125
2020-2024		228,229

(Defined contribution plan)

The College also has a defined contribution retirement plan for eligible faculty, administration and staff employees. The plan is fully funded, and participant interests are fully vested. Employees are required to contribute at least 4% of their annual base salary. The College's contributions, based on 7% of salaries, were $1,608,768 and $1,521,430 in 2013 and 2012, respectively.

NOTE K - COMMITMENTS AND CONTINGENCIES

The College 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 College's financial position.

NOTE L - ENDOWMENTS

The College's endowment consists of approximately 990 individual funds including annuity funds established for a variety of purposes. The 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.

(Continued)

NOTE L - ENDOWMENTS - Continued

1. Interpretation of Relevant Law

Governing law resides in 15 Pa. C.S. 5548, *Investment of Trust Funds*. The College 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 College 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 has determined that such percentage is consistent with the long-term preservation of the real value of such assets.

2. Return Objectives and Risk Parameters

The College 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 or for a donor-specified period, 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 plus 6% over the consumer price index while assuming a moderate level of investment risk. The College expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from that amount.

3. Spending Policy

In accordance with state law, net realized and unrealized gains on permanently restricted investments are included as temporarily restricted net assets, even absent donor restrictions on the use of gains. Commonwealth of Pennsylvania law permits the College to adopt a spending policy for endowment earnings, subject to certain limitations. The College follows the total return concept of endowment investment and spending. Under this concept, a prudent amount of appreciation earned on the investments may be spent in the event that the interest and dividends earned are insufficient to meet that period's spending rate. The College's spending rate is annually approved by the board of directors, and for the years ended June 30, 2014 and 2013, the rate was 5.75% of the 20-quarter moving average market value of the pooled endowment.

4. 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 $31,201 and $263,725 as of June 30, 2014 and 2013, respectively. Such deficiencies are recorded as unrestricted net assets from board-designated endowment funds. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions.

(Continued)

NOTE L - ENDOWMENTS - Continued

Net asset classification by type of endowment as of June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 27,426,014	$ 81,818,794	$ 109,244,808
Board-designated endowment funds	30,068,306	-	-	30,068,306
	$ 30,068,306	$ 27,426,014	$ 81,818,794	$ 139,313,114

Changes in endowment net assets for the year ended June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 25,750,163	$ 17,638,287	$ 79,079,810	$ 122,468,260
Investment return:				
Investment income	2,397,146	287,721	3,950	2,688,817
Net appreciation (realized and unrealized gains and losses)	4,317,643	12,460,303	1,172,551	17,950,497
Total investment return	6,714,789	12,748,024	1,176,501	20,639,314
Gift of new annuity	-	25,000	-	25,000
Board designations	500	-	-	500
Contributions	-	-	2,035,167	2,035,167
Actuarial loss on annuity liabilities	-	(15,676)	(309,785)	(325,461)
Appropriation of endowment assets for expenditure	(2,397,146)	(2,869,230)	-	(5,266,376)
Net assets released from restrictions	-	(38,471)	-	(38,471)
Other changes	-	(61,920)	(162,899)	(224,819)
Endowment net assets, end of year	$ 30,068,306	$ 27,426,014	$ 81,818,794	$ 139,313,114

(Continued)

NOTE L - ENDOWMENTS - Continued

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 17,638,287	$ 79,079,810	$ 96,718,097
Board-designated endowment funds	25,750,163	-	-	25,750,163
	$ 25,750,163	$ 17,638,287	$ 79,079,810	$ 122,468,260

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 23,085,510	$ 13,484,546	$ 77,327,736	$ 113,897,792
Investment return:				
Investment income	2,152,208	280,730	4,579	2,437,517
Net appreciation (realized and unrealized gains and losses)	2,664,403	7,840,913	1,122,386	11,627,702
Total investment return	4,816,611	8,121,643	1,126,965	14,065,219
Gift of new annuity	-	10,000	-	10,000
Board designations	250	-	-	250
Contributions	-	-	885,556	885,556
Actuarial gain (loss) on annuity liabilities	-	83,798	(192,370)	(108,572)
Appropriation of endowment assets for expenditure	(2,152,208)	(3,240,549)	-	(5,392,757)
Net assets released from restrictions	-	(682,305)	-	(682,305)
Other changes	-	(138,846)	(68,077)	(206,923)
Endowment net assets, end of year	$ 25,750,163	$ 17,638,287	$ 79,079,810	$ 122,468,260

NOTE M - SUBSEQUENT EVENTS

The College evaluated its June 30, 2014 financial statements for subsequent events through October 30, 2014. The College is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

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APPENDIX C

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

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

The following are certain definitions and summaries of certain provisions of the Indenture and the Loan Agreement. The summaries should not be regarded as full statements of the documents themselves or of the portions summarized. For complete statements of the provisions thereof, reference is made to the documents in their entireties, copies of which will be available for inspection during normal business hours at the office of the Trustee in Pittsburgh, Pennsylvania, and, during the offering period, at the offices of the Underwriter.

CERTAIN DEFINITIONS

The following definitions apply to the summaries of the Indenture and the Loan Agreement hereinafter set forth, and to the terms not otherwise defined in the Official Statement.

"Act" shall mean the Pennsylvania Higher Educational Facilities Authority Act of 1967 (Act of December 6, 1967, P.L. 678) as from time to time amended or supplemented.

"Additional Bonds" shall mean any Bonds.

"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 College, under the Act or the Indenture or pursuant to the Loan Agreement.

"Alternative Debt" shall mean that Long-Term Debt, other than the Bonds, which the College is permitted to incur to finance College Facilities, and which shall be equally and ratably secured with the Bonds with respect to the Unrestricted Gross Revenues to the extent provided in Section 8.04(a) of the Loan Agreement.

"Annual Administrative Fee" shall mean the annual fee for the general administrative services of the Authority which shall be with respect to Additional Bonds, such other reasonable amount as may be fixed by the Authority from time to time and set forth in the Supplemental Indenture under which such Additional Bonds are issued or pursuant to an amendment or supplement to the Loan Agreement, in each case until such Bonds are paid in full.

"Appraiser" shall mean an Independent appraiser not unacceptable to the Trustee which appraiser shall be a Member of the Appraisal Institute.

"Architect" shall mean an architect, engineer, firm thereof, or other Person, appointed by the College and not unsatisfactory to the Authority and Trustee, and who shall be registered in the Commonwealth, and qualified to pass upon architectural or engineering questions related to the College Facilities, and may include a registered engineer as well as a registered architect.

"Authority" shall mean Pennsylvania Higher Educational Facilities Authority, or its successor or successors.

"Authority Board" shall mean the governing body of the Authority.

"Authorized Newspaper" shall mean a newspaper printed in English and customarily published at least once a day at least twice a week and generally circulated in the County of Montgomery, Pennsylvania. When successive publications in an Authorized Newspaper are required, they may be made in the same or different Authorized Newspapers.

"Bankruptcy Proceeding" shall mean the entry of an order for relief against, or the filing of a petition by or against the College or the Authority under Title 11 of the United States Code, as may be amended from time to time, or any successor statute thereto, or if the College or the Authority, as the case may be, shall be adjudicated a bankrupt, a debtor or an insolvent thereunder or under any applicable Commonwealth law, 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 College or the Authority shall apply for or consent to the appointment of any receiver, trustee, sequestrator, liquidator or other judicial officer, similar or dissimilar, for its 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 College or the Authority; or if the College 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.

"Bond" or ***"Bonds"*** shall mean any bonds, notes or other obligations issued under the Indenture.

"Bond Redemption and Improvement Fund" shall mean the fund so designated created under Section 5.05 of the Indenture.

"Capital Campaign Funds" shall mean gifts, grants, bequests, donations and contributions received by the College as part of the construction or renovation of particular College Facilities which either: (a) were specifically solicited by the College for the purpose of undertaking such construction or renovation; or (b) the use of which is restricted by the donor for the purpose of paying the costs of such construction or renovation.

"Certificate" shall mean a written statement signed by or on behalf of the Person charged with responsibility therefor.

"Certified Public Accountant" shall mean a Person who shall be Independent, appointed by the College Board or the Authority, as the case may be, actively engaged in the business of public accounting, and duly certified as a certified public accountant under the laws of the Commonwealth.

"Certified Resolution" of the Authority or the College means a copy of one or more resolutions certified by a Responsible Officer of the Authority or the College, as the case may be, under its seal to have been duly adopted by the Board of the Authority or the College Board, as the case may be, and to be in effect on the date of such certification.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"College" shall mean Ursinus College, an institution of higher education, organized and existing under the laws of the Commonwealth, or its successors and assigns.

"College Board" shall mean the then legally constituted governing body vested with the power of management of the College or a duly authorized committee thereof.

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

"Commonwealth" shall mean the Commonwealth of Pennsylvania.

"Consultant" shall mean a Person, who shall be Independent, appointed by the College or the Authority, as the case may be, and not unsatisfactory to the other party or the Trustee, who is generally recognized as being expert as to matters as to which his or its Certificate or advice is required or contemplated hereby.

"Cost" or ***"Costs***," in connection with any Project, shall mean all expenses which are properly chargeable thereto under Generally Accepted Accounting Principles or which are incidental to the financing, acquisition, and construction of such Project, including, but without limiting the generality of the foregoing:

(a) Amounts payable to contractors and costs incident to the award of contracts;

(b) Cost of labor, facilities and services furnished by or for the College or the Authority and their employees or others, materials and supplies purchased by the College or the Authority or others, and permits and licenses obtained by the College, the Authority or others;

(c) Engineering, legal, accounting and other professional and advisory fees;

(d) Premiums for surety bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(e) Interest expenses during construction;

(f) The Authority's initial fee and the Annual Administrative Fee and Administrative Expenses during the period prior to completion of the Project;

(g) Printing, engraving and other expenses of financing, including but not limited to the fees and expenses of bond counsel, College counsel and Trustee, and expenses incurred in connection with obtaining municipal bond ratings, municipal bond insurance, letters of credit and standby take-outs or credit agreements;

(h) Costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;

(i) Cost of equipment purchased by the College and necessary for the completion and proper operation of any Project or property in question;

(j) Amounts required to repay temporary loans or advances from other funds of the College made to finance the Costs of any Project;

(k) Cost of acquisition of real estate, construction and prior construction and/or site costs and improvements performed by the College in anticipation of any Project; and

(l) Moneys necessary to fund the Funds created under the Indenture.

In the case of Projects for refunding or redeeming any Bonds or other indebtedness, "Cost" includes, without limiting the generality of the foregoing, the items listed in (c), (f), (g) and (l) above, advertising and other expenses related to the redemption of the Bonds to be redeemed, and the Redemption Price thereof (and the accrued interest payable on redemption to the extent not otherwise provided for).

Whenever Costs are required to be itemized, such itemization shall, to the extent practicable, correspond with the items listed above. Whenever Costs are to be paid under the Indenture, such payment may be made by way of reimbursement to the College, the Authority or others who have paid the same.

"Counsel" shall mean an attorney-at-law or law firm (who may be bond counsel or counsel for the College, the Trustee or the Authority) not unsatisfactory to the Trustee.

"Debt Service Fund" shall mean the fund so designated established pursuant to Section 5.03 of the Indenture.

"Debt Service Requirements," with reference to a specified period, shall mean:

(a) interest payable on Long-Term Debt during the period, excluding: (i) interest funded from the proceeds thereof; and (ii) interest on Long-Term Debt to be redeemed during such period through any sinking fund account which would otherwise accrue after the redemption date;

(b) amounts required to be paid into any mandatory sinking fund account for Long-Term Debt during the period;

(c) amounts required to pay the principal of Long-Term Debt maturing during the period and not to be redeemed prior to maturity through any mandatory sinking fund account; and

(d) in the case of Long-Term Debt in the form of a lease capitalized under Generally Accepted Accounting Principles, the lease rentals payable during the period;

provided, however, that: (i) "Debt Service Requirements" shall not include payments of principal of and interest on obligations to the extent that such obligations are paid or to be paid with moneys not constituting revenues for the purposes of determining "Net Revenues"; (ii) in the case of interest which carries a variable rate, interest shall be calculated, in any projection of Debt Service Requirements, at the rate which was or would have been in effect on the last day of the calendar month preceding the date of such calculation; (iii) interest payable shall be reduced by the amount of any interest subsidy which a federal, state or local government is irrevocably committed to pay for the period in question; (iv) in the case of calculating the "Debt Service Requirements" on guarantees of another Person's debt by the College, the provisions of Section 8.03(g) of the Indenture shall apply; and (v) in the case of calculating the "Debt Service Requirements" on student loan guarantees, the provisions of Section 8.05 of the Indenture shall apply.

"Event of Default" shall mean any of the events described in Article IX of the Indenture.

"First Supplemental Indenture" shall mean the First Supplemental Trust Indenture, dated as of February 15, 2006, between the Authority and the Trustee.

"First Supplemental Loan Agreement" shall mean the First Supplemental Loan and Security Agreement, dated as of February 15, 2006, between the Authority and the College.

"Fiscal Year" shall mean the period of twelve months beginning July 1 of each year unless and until a different Fiscal Year is adopted by the College and notice thereof given to the Authority and the Trustee.

"Fourth Supplemental Indenture" shall mean the Fourth Supplemental Trust Indenture, dated as of April 15, 2015, between the Authority and the Trustee.

"Fourth Supplemental Loan Agreement" shall mean the Fourth Supplemental Loan and Security Agreement, dated as of April 15, 2015, between the Authority and the College.

"Generally Accepted Accounting Principles" shall mean those accounting principles, not contrary to those promulgated by a nationally recognized financial standards body, applicable in the preparation of financial statements of institutions of higher learning.

"Government Obligations" shall mean non-redeemable, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the full faith and credit of the United States of America.

"Gross Proceeds" shall have the meaning set forth in the Code and the applicable regulations promulgated thereunder.

"Indenture" shall mean the Trust Indenture, dated as of October 1, 2003 between the Authority and the Trustee as originally executed and as amended or supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, and any and all other amendments or supplements thereto.

"Independent" shall mean with respect to the Certified Public Accountant, the Insurance Consultant and any other Consultant, other than the Architect, a Person who is not a member of the College Board (or other College governing body) or the Authority Board, an officer or employee of the Authority or an officer or employee of the College, or which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the College Board or the Authority Board, an officer or employee of the Authority or an officer or employee of the College; provided, however, that the fact that such Person is retained regularly by or transacts business with the Authority or the College shall not make such Person an employee within the meaning of this definition.

"Insurance Consultant" shall mean a Person who shall be Independent, appointed by the College and not unsatisfactory to the Authority or the Trustee, qualified to survey risks and to recommend insurance coverage for higher educational facilities and services and organizations engaged in like operations and having a favorable reputation for skill and experience in such surveys and such recommendations, and who may be a broker or agent with whom the College regularly transacts business.

"Insurance Trustee" shall mean The Bank of New York or any successor thereto.

"Investment Agreement" shall mean and include, forward delivery agreements, investment agreements, hedge, purchase and resale agreements, with regard to the investment of funds held in any fund established hereunder.

"Investment Securities" shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of Authority funds:

(a) Government Obligations;

(b) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States: (i) direct obligations or fully guaranteed certificates of beneficial interest in the Export-Import Bank of the United States; (ii) debentures of the Federal Housing Administration; (iii) guaranteed mortgage backed bonds of the Government National Mortgage Association; (iv) certificates of beneficial interest of the Farmers Home Administration; (v) obligations of the Federal Financing Bank or (vi) project notes and local authority bonds of the Department of Housing and Urban Development.

(c) Investments in: (i) senior obligations of the Federal Home Loan Bank System; (ii) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par on the portion of unpaid principal) of the Federal National Mortgage Association; or (iv) senior debt obligations of the Student Loan Marketing Association.

(d) Repurchase agreements with primary dealers and/or banks, including any affiliate of the Trustee, rated, at all times, "AA" and "AA2" or better by Standard & Poor's Corporation and Moody's Investors Service, Inc., respectively, collateralized with the obligations described in (a) or (b) above, held by a third party custodian, at the levels set forth below.

(e) S.E.C. registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, including funds for which the Trustee or an affiliate of the Trustee acts as an advisor, and rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service, Inc.

(f) Certificates of deposit of any bank (including the Trustee and any affiliate of the Trustee), trust company or savings and loan association whose short term obligations are rated, at all times, "A-1" or better by Standard & Poor's Corporation and "P-1" by Moody's Investors Service, Inc. provided that such certificates of deposit are fully secured by the obligations described in (a) or (b) above, at the levels set forth below, the Trustee has a perfected first security interest in the obligations securing the certificates and the Trustee holds (or shall have the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates.

(g) Certificates of deposit of any bank (including the Trustee and any affiliate of the Trustee), trust company or savings and loan association which certificates are fully insured by the Federal Deposit Insurance Corporation.

(h) Commercial paper rated, at all times, "P-1" or better by Moody's Investors Service, Inc. and "A-1+" by Standard & Poor's Corporation.

(i) Obligations of, or obligations fully guaranteed by, any state of the United States of America or any political subdivision thereof which obligations, at all times, are rated by Standard & Poor's Corporation and Moody's Investors Service, Inc. in the highest rating categories (without regard to any refinement or graduation of rating category by numerical modifier or otherwise) and without regard to credit enhancement assigned by such rating agencies to obligations of that nature.

(j) Investment Agreements.

Collateral levels as required by (d) and (f) above shall be as set forth below.

	Remaining Maturity				
	1 Year or less	5 Years or less	10 Years or less	15 Years or less	30 Years or less
Frequency of Valuation					
Daily	102%	105%	106%	107%	113%
Weekly	103	110	111	113	118
Monthly	106	116	119	123	130
Quarterly	106	118	128	130	135

On each valuation date the market value of the collateral will be an amount equal to the requisite collateral percentage of the obligation (including unpaid accrued interest) that is being secured. In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly valuations, and one month for monthly and quarterly valuations. The repurchase agreement shall provide that upon a failure to maintain the requisite collateral percentage after the restoration period the agreement shall terminate and, that the Trustee if not paid by the counterparty in federal funds against transfer of the repo securities, shall liquidate the collateral.

"Loan Agreement" shall mean the Loan and Security Agreement, dated as of October 1, 2003 as amended and supplemented by the First Supplemental Loan Agreement, the Second Supplemental Loan Agreement, the Third Supplemental Loan Agreement, the Fourth Supplemental Loan Agreement and all modifications, alterations, amendments and supplements thereto.

"Long-Term Debt" shall mean all obligations for the payment of money, incurred, assumed or guaranteed by the College, whether due and payable in all events, or upon the performance of work, the possession of property as lessee or the rendering of services by others, except:

(a) Short-Term Debt;

(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 current operating expenses of future years in which the supplies are to be furnished, the services rendered, or the pensions paid;

(d) Rentals payable in future years under leases not required to be capitalized under Generally Accepted Accounting Principles;

(e) Non-Recourse Debt;

(f) Student loan guarantees complying with the requirements of Section 8.05 of the Loan Agreement, except to the extent includable as Long-Term Debt under the provisions thereof.

"Net Revenues" shall mean for any period Unrestricted Gross Revenues together with interest earned on Trustee-held funds available for the payment of debt service after deduction of: (i) reasonable allowances for bad debts otherwise includable therein; (ii) Operating Expenses incurred by the College during such period and exclusion of the effect of any recognized changes in the market value of unrestricted investments, as determined in accordance with Generally Accepted Accounting Principles.

"Non-Amortizing Debt" shall mean Long-Term Debt all of the principal of which matures in the final year and which does not have the benefit of a mandatory sinking fund.

"Non-Amortizing Principal" shall mean the principal of Non-Amortizing Debt and, with respect to Partially Amortizing Debt, shall mean that portion of such principal or sinking fund payments exceeding that of the immediately preceding year by 25% or more in amount, exclusive of principal projected to be paid from funds held in a debt service reserve fund.

"Non-Recourse Debt" shall mean indebtedness incurred or assumed by the College to finance: (a) the acquisition of assets, which debt is not a general obligation of the College and is secured solely by a purchase money security interest in the assets acquired with the proceeds of the debt; or (b) the construction or acquisition of facilities, which debt is not a general obligation of the College and is secured solely by revenues derived from the operation or sale of such facilities and/or a security interest in and/or a mortgage on the real and personal property comprising such facilities.

"Officer's Certificate" shall mean a certificate signed by a Responsible Officer on behalf of the College or the Authority, as appropriate.

"Operating Expenses" shall mean all expenses incurred in the operation and maintenance of the College under Generally Accepted Accounting Principles, including, in each case, without intending to limit the generality of the foregoing:

(a) expenses of operation (including all utilities), maintenance, repair, alteration, insurance and inspection;

(b) salaries and expenses of professional, managerial, supervisory, administrative, engineering, architectural, legal, auditing and consulting services;

(c) all taxes on the College Facilities or contributions or payments in lieu thereof, assessments and charges, including without intending to limit the generality of the foregoing, income, profits, property, franchise, and excise taxes;

(d) all expenditures for auxiliary enterprises; and

(e) the Annual Administrative Fee, Administrative Expenses and the Trustee Fees;

provided, however, that Operating Expenses shall not include depreciation, principal of and interest on the Bonds and other Long-Term Debt, amortization of financing charges on the Bonds and other Long-Term Debt, or liabilities paid with moneys not constituting revenues for the purpose of determining "Net Revenues."

"Outstanding," in connection with Long-Term Debt, shall mean, as of the time in question, all Bonds authenticated and delivered under the Indenture or in the case of other Long-Term Debt all such Long-Term Debt issued under the particular debt-incurring instrument, except such thereof as:

(a) is cancelled or required to be cancelled under the terms of the debt-incurring instrument;

(b) for the payment, redemption, or purchase of which moneys or Government Obligations the principal of and interest on which Government Obligations, when due, will provide sufficient money to fully pay such Long-Term Debt or portion thereof in accordance with the debt-incurring instrument shall have been or shall concurrently be deposited with the Trustee, the obligee or trustee under any debt-incurring instrument or an escrow agent appointed for such purpose; provided that, if such Long-Term Debt is being redeemed, the required notice of redemption shall have been given or provision satisfactory to the Trustee or other appropriate party shall have been made therefor, and that if such Long-Term Debt, or any part thereof, is being purchased, there shall be a firm commitment for the purchase and sale thereof; or

(c) in substitution for which other Long-Term Debt has been authenticated and delivered pursuant to the debt-incurring instrument.

"Partially Amortizing Debt" shall mean Long-Term Debt which in any one year requires principal or sinking fund payments which exceed such payments in the immediately preceding year by at least 25% (excluding principal to be paid from funds held in a debt service reserve fund and excepting from such calculation the first year in which such payments are required).

"Permitted Encumbrances" shall mean, with respect to the Unrestricted Gross Revenues and College Facilities as of any particular time, (i) the Indenture and the Loan Agreement; (ii) liens for ad valorem taxes, special assessments and other governmental charges not then delinquent; (iii) utility, access or other easements and rights-of-way, mineral rights, restrictions and exceptions of record, none of which will materially interfere with or impair the ability of the College to meet its payment obligations under the Loan Agreement; (iv) "transfers and liens" or security interests permitted under the provisions of the Loan Agreement; (v) such minor defects, encroachments, irregularities, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the College Facilities and do not in the aggregate, in the opinion of Counsel to the College, materially impair the ability of the College to meet its payment obligations under the Loan Agreement; (vi) liens and judgments of record against the College Facilities the validity of which is being contested in good faith and by appropriate proceedings, provided that the College Facilities nor any rent or income therefrom or interest therein would be in any immediate danger of being sold, forfeited, attached or lost; and (vii) transfers and liens incurred to secure Long-Term Debt, Non-Recourse Debt, Short-Term Debt or Alternative Debt as defined in and permitted in the Loan Agreement.

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

"Pledged College Revenues" shall mean the following property: all Unrestricted Gross Revenues of the College, provided that such pledge may hereafter be subordinated with respect to future pledges of revenues from specific facilities comprising a portion of the College Facilities made to others on or after the date of the Loan Agreement solely to secure: (i) obligations which bear interest at lower than prevailing market interest rates by reason of governmental subsidies and grants and only if such rates, subsidies or grants would not be available without such a specific future pledge; or (ii) obligations issued to finance construction or acquisition of such facilities, provided that prior to granting such pledge the College shall have delivered to the Authority and the Trustee a Consultant's Certificate in form and substance acceptable to the Authority stating that for the first two full Fiscal Years following the completion of such construction or acquisition to be financed with the proceeds of the obligation which such pledge is intended to secure, the Pledged College Revenues as projected for such Fiscal Years taking into account the facilities proposed to be constructed or acquired with obligations secured by such pledge, will not be less than 95% of the Pledged College Revenues as projected for such Fiscal Years upon the assumption that such facilities are not acquired or constructed.

"Pledged Revenues" shall mean all amounts payable by the College to the Authority under the Loan Agreement (except those representing the Annual Administrative Fee and Administrative Expenses of the Authority).

"Project" shall mean any acquiring, holding, constructing, improving, maintaining and operating, by the College, of grounds, premises, buildings, and other property constituting "educational facilities" as defined in the Act and used or useful in providing instruction, housing, recreation, or other services related to higher education and related activities, including the financing of the Cost thereof by the Authority and the refinancing by the Authority of the cost of educational facilities previously financed, including any replacement or restoration of the Project Facilities to the extent that damage is not covered by insurance. "Project" shall also include refunding or redeeming any Outstanding Bonds.

"Project Facilities" shall mean the land, buildings, improvements, equipment and other property constituting a part of the College Facilities, the acquisition and/or construction of which is hereafter financed or otherwise provided from funds under the Indenture as part of a Project, as such items may be amended by the College from time to time by addition, deletion or substitution.

"Project Fund" shall mean a fund or funds so designated to be established from time to time by the Trustee as provided in Section 4.01 of the Indenture.

"Rating Agency" shall mean Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. or any successor thereto.

"Rebate Amount" or ***"Amounts"*** shall mean one hundred percent (100%) of the amount owed to the United States Treasury pursuant to Section 148(f)(2) of the Code.

"Redemption Price," where used with respect to a Bond, shall mean the principal amount of such Bond plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

"Registered Owner," "holder of Bonds," "Bondholder," "Owner" or ***"Bondowner***," in connection with a Bond, shall mean the Person or Persons in whose name or names the Bond is registered on the books of the Authority kept for that purpose in accordance with the Indenture and the Bonds.

"Regular Record Date" for any interest payment date falling on the first day of any month shall mean the l5th day (whether or not a business day) of the calendar month next preceding such interest payment date and for any interest payment date falling on the fifteenth day of any month shall mean the first day (whether or not a business day) of such month.

"Regulatory Body" shall mean and include: (i) the United States of America and any department of or corporation, agency, or instrumentality heretofore or hereafter created, designated, or established by the United States of America; (ii) the Commonwealth, any political subdivision thereof, and any department of or corporation, agency, or instrumentality heretofore or hereafter created, designated, or established by the Commonwealth; and (iii) any other public or private body, whether federal, state, local or otherwise, which, in each case, has or exercises regulatory or supervisory jurisdiction and authority over the College or the Project Facilities, but shall not include the Authority.

"Responsible Officer" shall mean: (i) when used with respect to the Authority, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, the Executive Director, Controller or any Assistant Executive Director or Assistant Controller; (ii) when used with respect to the College, the President, the Chief Financial Officer or the Secretary; and (iii) when used with respect to either the College or the Authority, as the case may be, any other person designated by resolution of the Board of the Authority or the College to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter, a certified copy of which resolution shall be on file with the Trustee.

"Second Supplemental Indenture" shall mean the Second Supplemental Trust Indenture, dated May 21, 2012, between the Authority and the Trustee.

"Second Supplemental Loan Agreement" shall mean the Second Supplemental Loan and Security Agreement, dated May 21, 2012, between the Authority and the College.

"Short-Term Debt" shall mean all obligations of the College for the repayment of borrowed money payable upon demand or having a final maturity of less than one year from the date incurred, excluding the current portion of any Long-Term Debt, and any portion thereof for which the College has in hand a binding takeout commitment of a bank or institutional lender pursuant to which the lender will fund what would otherwise be Short-Term Debt with Long-Term

Debt, in which case the particular obligation as the context requires shall be considered Long-Term Debt maturing and bearing interest as provided in the commitment.

"Special Record Date" for the payment of any Defaulted Interest (as defined in Section 2.06 of the Indenture) means a date fixed by the Trustee in accordance with the provisions of Section 2.06 of the Indenture.

"Supplemental Indenture" shall mean any indenture supplemental to the Indenture entered into between the Authority and the Trustee in accordance with Article XII of the Indenture.

"Third Supplemental Indenture" shall mean the Third Supplemental Trust Indenture, dated May 1, 2012, between the Authority and the Trustee.

"Third Supplemental Loan Agreement" shall mean the Third Supplemental Loan and Security Agreement, dated May 1, 2012, between the Authority and the College.

"Trustee" shall mean The Bank of New York Mellon Trust Company, N.A., or its successor in the trust created by the Indenture.

"Trustee Fees" shall mean the fees and expenses, including attorney fees and expenses, of the Trustee with respect to its duties under the Indenture and the Loan Agreement.

"2015 Bonds" shall mean the Authority's Ursinus College Revenue Bonds, Series of 2015, in the original principal amount of $12,160,000, issued under the Fourth Supplemental Indenture.

"2015 Bonds Sinking Fund Account" shall mean the sinking fund account for the 2015 Bonds maturing January 1, 2029, January 1, 2031 and January 1, 2036, established within the 2015 Debt Service Account pursuant to Section 4.1 of the Fourth Supplemental Indenture.

"2015 Debt Service Account" shall mean the account to pay debt service on the 2015 Bonds, established by the Trustee pursuant to Section 4.1 of the Fourth Supplemental Indenture.

"2015 Project" shall mean the Project consisting, among other things, of: (i) the advance refunding of the Outstanding 2006 Bonds; and (ii) the payment of the costs and expenses incident to the issuance of the 2015 Bonds.

"2015 Rebate Fund" shall mean the fund established pursuant to Section 4.4 of the Fourth Supplemental Indenture.

"2015 Tax Agreement" shall mean the Tax Exemption Certificate executed and delivered by the Authority and the College on the date of original issuance and delivery of the 2015 Bonds.

"***2006 Bonds***" shall mean the Authority's Ursinus College Revenue Bonds, Series of 2006, in the original principal amount of $14,000,000, issued under the First Supplemental Indenture.

"2006 Rebate Fund" shall mean the fund established pursuant to Section 4.4 of the First Supplemental Indenture.

"2013 Bonds" shall mean the Authority's Ursinus College Revenue Bonds, Series of 2013, in the original principal amount of $12,880,000, issued under the Third Supplemental Indenture.

"2013 Bonds Sinking Fund Account" shall mean the sinking fund account for the 2013 Bonds maturing January 1, 2025, January 1, 2027, January 1, 2030 and January 1, 2033, established within the 2013 Debt Service Account pursuant to Section 4.1 of the Third Supplemental Indenture.

"2013 Debt Service Account" shall mean the account to pay debt service on the 2013 Bonds, established by the Trustee pursuant to Section 4.1 of the Third Supplemental Indenture.

"2013 Rebate Fund" shall mean the fund established pursuant to Section 4.4 of the Third Supplemental Indenture.

"2013 Tax Agreement" shall mean the Tax Exemption Certificate executed and delivered by the Authority and the College on the date of original issuance and delivery of the 2013 Bonds.

"2012 Bonds" shall mean the Authority's Ursinus College Revenue Bonds, Series A of 2012, in the original principal amount of $18,865,000, issued under the Second Supplemental Indenture.

"2012 Bonds Sinking Fund Account" shall mean the sinking fund account for the 2012 Bonds maturing January 1, 2023, January 1, 2025, January 1, 2027, January 1, 2029 and January 1, 2033, established within the 2012 Debt Service Account pursuant to Section 4.1 of the Second Supplemental Indenture.

"2012 Debt Service Account" shall mean the account to pay debt service on the 2012 Bonds, established by the Trustee pursuant to Section 4.1 of the Second Supplemental Indenture.

"2012 Debt Service Reserve Fund" shall mean the fund established pursuant to Section 4.2 of the Second Supplemental Indenture.

"2012 Debt Service Reserve Fund Requirement" shall mean an amount equal to, from time to time, the lesser of: (i) 10% of the stated principal amount (or issue price net of accrued interest if the 2012 Bonds are issued with more than de minimus original issue discount or premium) of the 2012 Bonds; (ii) maximum annual Debt Service Requirements on the 2012 Bonds; or (iii) 125% of average annual Debt Service Requirements on the 2012 Bonds.

"2012 Rebate Fund" shall mean the fund established pursuant to Section 4.4 of the Second Supplemental Indenture.

"2012 Tax Agreement" shall mean the Tax Exemption Certificate and Agreement executed and delivered by the Authority and the College on the date of original issuance and delivery of the 2012 Bonds.

"Unrestricted Assets" shall mean all assets of the College not restricted as to use and available to pay debt service on College indebtedness. References to the amount or value of Unrestricted Assets shall mean, with respect to marketable securities, the fair market value thereof and, with respect to property, plant and equipment, the cost thereof (adjusted for depreciation or amortization) unless the College shall deliver to the Trustee a current appraisal of fair market value of such property, plant or equipment prepared by an Appraiser in which case such property, plant or equipment shall be valued at the appraised fair market value.

"Unrestricted Gross Revenues" shall mean all unrestricted receipts, revenues, income, gains and all other moneys received by the College from any source, including without limitation, tuition and fee revenues, other operating and non-operating revenues required to be recorded as revenue under Generally Accepted Accounting Principles, exclusive of realized and unrealized gains and losses on investments and exclusive of gifts, grants, bequests, donations and contributions which are designated at the time of making by the donor as being for specific purposes inconsistent with payment of indebtedness of the College, Capital Campaign Funds and any unrestricted revenues pledged to secure Non-Recourse Debt.

"Yield Reduction Amount" or ***"Amounts"*** shall mean any amount paid to the United States to reduce the yield on investments for yield restriction purposes pursuant to Treas. Reg. § 1.148-5(c).

THE INDENTURE

The 2015 Bonds are being issued under and subject to the provisions of the Indenture, to which reference is made for complete details of the terms of the 2015 Bonds.

Pledge and Assignment

Under the Indenture, the Authority has assigned, transferred, set over and pledged to the Trustee all of its right, title and interest in and to the Loan Agreement, the Pledged Revenues, and all Funds (other than the 2006 Rebate Fund, the 2012 Rebate Fund, the 2013 Rebate Fund, the 2015 Rebate Fund and any other rebate fund established with respect to Additional Bonds) created under the Indenture.

Moneys and interest from time to time deposited in the various funds of the Indenture shall be held by the Trustee, in trust, for the equal and ratable benefit and security of all present and future Registered Owners of the Bonds issued and to be issued under the Indenture, without preference, priority or distinction as to lien or otherwise of any one Bond over any other Bond except that, the 2012 Debt Service Reserve Fund and the 2012 Debt Service Account (including the 2012 Bonds Sinking Fund Account therein) shall be held for the benefit only of Owners of the 2012 Bonds, the 2013 Debt Service Account (including the 2013 Bonds Sinking Fund Account therein) shall be held for the benefit only of Owners of the 2013 Bonds, and the 2015 Debt Service Account (including the 2015 Bonds Sinking Fund Account therein) shall be held for the benefit only of Owners of the 2015 Bonds and except as specifically provided in the Indenture.

Redemption of the 2015 Bonds

The 2015 Bonds are subject to redemption as described in the Official Statement under the heading "THE 2015 BONDS -Redemption."

Additional Bonds

The Authority may issue additional series of Bonds from time to time for the purposes of:

(a) making a loan to the College: (i) to pay or complete payment of the Cost of any Project or to reimburse expenditures of the College for any such Costs; or (ii) to refinance such Cost by retiring, refunding or acquiring obligations incurred by the College for such purpose; or

(b) paying the Cost of refunding through redemption or otherwise any Outstanding Bonds and any other Long-Term Debt.

Each such series of Additional Bonds shall be issued pursuant to a Supplemental Indenture and shall be equally and ratably secured under the Indenture with all Bonds previously issued thereunder, without preference, priority or distinction of any Bond over any other Bond except as provided in the Indenture and the Supplemental Indenture. Such Additional Bonds shall be dated, shall have an appropriate series designation, and shall contain such terms as to rate of interest, maturity and redemption as may be provided in a Supplemental Indenture. The Trustee shall, at the request of the Authority, authenticate the Additional Bonds and deliver them as specified in the request, but only upon receipt of certain required items, including, inter alia, certified resolutions of the Authority and the College, a certification of a Certified Public Accountant, an Officers Certificate of the Authority, and opinions of counsel, as more fully described in the Indenture and the Loan Agreement, to which reference is made for more complete details.

Disposition of Proceeds of 2015 Bonds

Upon receipt by the Authority of the proceeds of the sale of the 2015 Bonds (net of the underwriter's discount), the Authority shall forthwith transfer the proceeds to the Trustee. The proceeds shall be deposited into a "settlement fund" (the "Settlement Fund") which the Trustee shall create and shall be applied as provided in a closing statement executed by a Responsible Officer of the Authority and approved by a Responsible Officer of the College on the date of issuance of the 2015 Bonds.

Disposition of Proceeds of Additional Bonds.

Upon the issuance and delivery of any series of Additional Bonds, the Authority shall forthwith transfer the proceeds to the Trustee, and the Trustee shall apply such proceeds in accordance with the terms of the Supplemental Indenture authorizing the issuance of such series.

Project Funds

The Trustee shall establish an additional Project Fund for the payment of Costs of each Project for which any Additional Bonds are issued under the Indenture. Each Project Fund shall consist of the amounts which the Authority may deposit therein, including contributions by the College. The amounts in each Project Fund, until applied as provided in the Indenture, shall be held for the security of all the Bonds Outstanding under the Indenture. Separate Project Funds or separate accounts within a given Project Fund shall be maintained by the Trustee upon request of the Authority whenever, in the opinion of the Authority, it is appropriate to have a separate accounting in respect of the Costs of any designated portion of a particular Project.

The Authority shall permit the College, from time to time, to deposit moneys in any Project Fund for the purpose of paying the Costs of any Project and may establish other accounts, including investment income accounts, within the Project Funds for other Projects.

The Trustee shall make payments from a Project Fund only upon receipt of the requisitions and certifications required by the Indenture.

Procedure Upon Completion of a Project

Upon the completion of a Project, the Authority shall furnish the Trustee with a completion certificate as described in the Indenture. The Trustee shall thereupon transfer the balance in the Project Fund established for the Project and not reserved for the payment of unpaid Costs thereof first, to the debt service reserve fund established for the series of Bonds issued to finance such Project to the extent necessary to make up any deficiencies therein and the balance to the Bond Redemption and Improvement Fund or, at the option of the College, to the Debt Service Fund.

Debt Service Fund

Under the Indenture, the Trustee shall establish a Debt Service Fund which shall consist of the amounts deposited therein pursuant to the provisions of the Indenture and the Loan Agreement. The Debt Service Fund shall include accounts as may be established under any Supplemental Indenture in connection with any series of Additional Bonds. The Trustee shall make available to the Authority's paying agent from the Debt Service Fund the amount required to pay the principal of Bonds as they mature or become payable upon redemption upon surrender thereof, and the interest on Bonds as it becomes payable. The Trustee may establish separate accounts within the Debt Service Fund for separate series of Bonds of particular dates. When such Bonds are redeemed, the amount, if any, in the Debt Service Fund representing interest thereon shall be applied to the payment of accrued interest in connection with such redemption; and any amount representing principal on the Bonds redeemed which is in excess of the amount required for such redemption shall be transferred to the Bond Redemption and Improvement Fund.

2012 Debt Service Reserve Fund

The Trustee has established the 2012 Debt Service Reserve Fund and shall use such fund to make up any deficiencies in the 2012 Debt Service Account established within the Debt Service Fund, including any mandatory sinking fund account, relating solely to payment of the 2012 Bonds. The 2012 Debt Service Reserve Fund shall be maintained at an amount equal to the 2012 Debt Service Reserve Fund Requirement. Any deficiencies in the 2012 Debt Service Reserve Fund shall be made up from transfers of available funds from the Bond Redemption and Improvement Fund, or if such funds are not available or sufficient to make up the deficiency, the Authority will cause the College to pay such deficiency, as provided for in the Loan Agreement. Amounts on deposit in the 2012 Debt Service Reserve Fund shall be applied to pay principal of the 2012 Bonds at the final maturity thereof.

No Debt Service Reserve Fund for 2013 Bonds

The 2013 Bonds are **not** secured by a debt service reserve fund. The owners of the 2013 Bonds will have no interest in any debt service reserve fund or sinking fund now existing or hereinafter created under the Indenture securing other series of Bonds.

No Debt Service Reserve Fund for 2015 Bonds

The 2015 Bonds are **not** secured by a debt service reserve fund. The owners of the 2015 Bonds will have no interest in any debt service reserve fund or sinking fund now existing or hereinafter created under the Indenture securing other series of Bonds.

Bond Redemption and Improvement Fund

The Trustee shall establish a Bond Redemption and Improvement Fund, which shall consist of such funds as may be deposited therein pursuant to the provisions of the Indenture or the Loan Agreement. The Trustee shall use such fund, except for moneys exclusively deposited for the redemption of Bonds, to make up deficiencies in the Debt Service Fund, including any mandatory sinking fund account or to restore amounts, if any, required to be maintained in the Debt Service Reserve Fund. At any time after completion of construction, repair or renovation of any Project when there is no deficiency in the Debt Service Fund, including any mandatory sinking fund account, and the Debt Service Reserve Fund and when no Event of Default under the Indenture has occurred and is continuing, the Trustee shall use the Bond Redemption and Improvement Fund, at the request of the Authority, as directed by the College, to pay the Cost of an additional Project, to make up any deficiency in a Project Fund, or to purchase or redeem Bonds of any series or Alternative Debt upon receipt by the Trustee of certain certifications and opinions as set forth in the Indenture.

Deposits and Security Therefor

All moneys received by the Trustee under the Indenture for deposit in any fund established under the Indenture (except for funds held in the 2006 Rebate Fund, the 2012 Rebate Fund, the 2013 Rebate Fund, the 2015 Rebate Fund and any other rebate fund established under the Indenture in connection with the issuance of Additional Bonds pursuant to a Supplemental Indenture) shall be considered trust funds, shall not be subject to lien or attachment, except for the lien of the Indenture, and shall, except as therein provided, be deposited with the Trustee, and all such deposits shall, to the extent not insured and to the extent permitted by law, be fully secured by Government Obligations, or if not so permitted, then secured as provided by law for such trust deposits. Under certain conditions the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation. All deposits in any other depository in excess of the amount covered by insurance shall, to the extent permitted by law, be fully secured by Government Obligations, or if not so permitted, then secured as provided by law for such trust deposits, or, if clause (e) of the definition of Investment Securities as set forth in the Indenture is applicable, secured as provided in such clause (e). Such securities shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in Pennsylvania, or with a bank or trust company having a combined net capital and surplus of not less than $50,000,000.

The Trustee, at the written direction of the College, shall invest moneys held in the Debt Service Fund and moneys held in the Bond Redemption and Improvement Fund specifically designated for redemption of Bonds, only in Government Obligations or certificates of deposit, time deposits or other similar banking arrangements, issued by the Trustee and/or any bank, trust company or savings and loan association, the deposits of which to the extent uninsured by the Federal Deposit Insurance Corporation, to be fully secured, to the extent permitted by law, by Government Obligations.

The Trustee at the written direction of the College shall invest moneys held in: the 2012 Debt Service Reserve Fund or any other debt service reserve fund established in connection with the issuance of Additional Bonds under the Indenture, only in the types of Investment Securities; set forth in (a), (b), (e) or (j) of the definition of Investment Securities as set forth in the Indenture; or any Project Fund and moneys held in the Bond Redemption and Improvement

Fund not specifically designated for redemption of Bonds, only in Investment Securities (as defined in the Indenture). Absent specific written instructions from the College all investments shall be made pursuant to written directions from the Authority, or, absent such written direction, invested in Investment Securities described in paragraph (e) of the definition thereof. The instructions provided by the College or the Authority shall be subject in all cases, however, to the limitations contained the Indenture and subject to the provisions of the Indenture. All investments made pursuant to Section 6.02 of the Indenture shall mature or be subject to redemption by the holder at not less than the principal amount thereof or the cost of acquisition, whichever is lower and all deposits in time accounts and similar arrangements shall be subject to withdrawal without penalty not later than the date when the amounts will foreseeably be needed for purposes of the Indenture.

The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any fund established under the Indenture and any profit or loss resulting from the sale of securities held in any fund shall be added or charged to such fund, except that earnings on the 2012 Debt Service Reserve Fund and any other debt service reserve fund established by a Supplemental Indenture entered into in connection with the issuance of Additional Bonds under the Indenture shall remain in such fund only to the extent necessary to make up any deficiency therein and any excess shall be deposited in the appropriate account of the Debt Service Fund established with respect to the 2012 Bonds. Interest and income with respect to funds on deposit to construct or acquire any future Project shall be treated in accordance with the Supplemental Indenture authorizing Additional Bonds for such future Project.

Upon written request of the Authority, or on its own initiative whenever payment is to be made out of any fund, the Trustee shall sell such securities as may be requested or required to make the payment and restore the proceeds to the fund in which the securities were held. Neither the Trustee nor the Authority shall be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof.

Covenants of the Authority

In the Indenture, the Authority has covenanted to, inter alia:

(i) promptly pay the interest on and the principal of every Bond issued according to the terms of the Indenture, but only out of Pledged Revenues;

(ii) use its best efforts to comply with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority insofar as they relate to the 2012 Bonds, the 2013 Bonds and the 2015 Bonds;

(iii) furnish to the Trustee (and to Owners of Bonds upon written request) within 30 days after receipt a report with respect to the operations of the Authority for each fiscal year. Such annual report shall be audited and certified by a Certified Public Accountant. The Authority shall further furnish to the Trustee a copy of all reports and other documents which the College is required to furnish the Authority under the Loan Agreement;

(iv) perform or 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 Owners of Bonds, and furnish satisfactory evidence to the Trustee of any 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 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;

(v) not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the Owners of the 2012 Bonds, the 2013 Bonds or the 2015 Bonds, as applicable and appropriate, of the interest on the 2012 Bonds, the 2013 Bonds or the 2015 Bonds, as applicable and appropriate, under Section 103 of the Code.

(vi) not, directly or indirectly, use or permit the use of any proceeds of the 2012 Bonds, the 2013 Bonds or the 2015 Bonds, as applicable and appropriate, or any other funds of the Authority, or take or omit to take any action that would cause the 2012 Bonds, the 2013 Bonds or the 2015 Bonds, as applicable and appropriate, to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and that it will comply with all requirements of Section 148 of the Code to the extent applicable to the 2012 Bonds, the 2013 Bonds or the 2015 Bonds, as applicable and appropriate.

Responsible Officers of the Authority and the College have been authorized and directed to execute and deliver such other documents, instruments and agreements and to take such other action as may be necessary or appropriate in order to maintain the exclusion of the interest on the 2012 Bonds, the 2013 Bonds or the 2015 Bonds, as applicable and appropriate, from gross income of the Owners thereof for federal income tax purposes (including, but not limited to, the preparation and filing of any information reports or other documents with respect to the 2012 Bonds, the 2013 Bonds or the 2015 Bonds, as applicable and appropriate, as may at any time be required under Section 149 of the Code and any regulations thereunder).

Events of Default

Each of the following is an "Event of Default" under the Indenture:

(a) if payment of any installment of interest is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Bond is not made when it becomes due and payable at maturity or upon call for redemption or if any required transfer is not made into any sinking fund or sinking fund account established under the Indenture at the time and in the amount required; or

(c) if there is a default in making the payments under the Loan Agreement or any amendment or supplement thereto or any other default thereunder in either case: (i) which is not cured within any applicable cure period (if subject to cure); and (ii) results in acceleration of all liabilities under the Loan Agreement; or

(d) if the Authority fails to comply with any provision of the Act or for any reason is rendered incapable of fulfilling its obligations under the Indenture or thereunder; or

(e) if the College Facilities are destroyed, damaged or rendered unusable to such extent that such College Facilities cannot yield sufficient revenues to enable the College to the make the payments required under the Loan Agreement and the damage is not promptly repaired; or

(f) institution or commencement of a Bankruptcy Proceeding by or against the Authority; or

(g) if the Authority defaults in the due and punctual performance of any other covenant in the Bonds or the Indenture or in the Loan Agreement and such default continues for 30 days after written notice requiring the same to be remedied shall have been given to the Authority and the College by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than 25% in principal amount of Bonds then Outstanding; provided, however, that if such performance requires work to be done, actions to be taken or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such 30-day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as, the Authority or College shall commence such performance within such 30-day period, and the Authority or College shall diligently and continuously prosecute the same to completion.

If any Event of Default has occurred and is continuing, the Trustee may, without further authorization or direction, and upon written request of the Owners of 25% in principal amount of the Bonds then Outstanding and affected thereby, shall, by notice in writing to the Authority, declare the principal of all Bonds then Outstanding to be immediately due and payable, 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, anything in the Indenture or in the Bonds to the contrary notwithstanding, unless the College cures such Event of Default.

If after the principal of the Bonds has been so declared to be due and payable, all arrears of interest upon the Bonds and the principal of all Bonds then Outstanding which have matured, except the principal of any Bonds due solely because of such declaration, and the interest accrued on the Bonds since the last interest payment date are paid by the Authority, and the Authority also performs all other things in respect to which it may have been in default under the Indenture and pays the reasonable charges of the Trustee, the Owners of Bonds, and any trustee appointed under the Act, including reasonable attorney's fees and expenses, then, and in every such case, the Owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the Authority and to the Trustee, may annul such declaration and its consequences and such annulment shall be binding upon the Trustee and upon all Owners of Bonds issued hereunder; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon.

If any Event of Default has occurred and is continuing, the Trustee, before or after declaring the principal of the Bonds immediately due and payable: (a) may enforce each and every right granted to the Authority under the Loan Agreement and to all supplements or amendments thereto; and (b) insofar as such right may be lawfully conferred upon the Trustee, may, by its agents or attorneys, with or without process of law, enter upon and take and maintain possession of all or any part of the Project Facilities, together with all records, documents, books, papers and accounts of the Authority relating thereto, and may as Trustee hold the Project Facilities and manage and operate the Project Facilities and collect the amounts payable by reason of such operation. After paying its fees and expenses and the expenses of operation and maintenance, including such repairs, replacements, alterations, additions and improvements as it deems proper, the Trustee shall apply the balance of the revenues as provided in Section 9.11 of the Indenture.

<u>Limitations on Actions by Owners of Bonds</u>

No Owners of Bonds shall have any right to pursue any remedy under the Indenture unless: (a) the Trustee shall have been given written notice of an Event of Default; (b) the Owners of at least 25% in principal amount of the Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers granted in the Indenture or to pursue such remedy in its or their name or names; (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities; and (d) the Trustee shall have failed to comply with such request within a reasonable time.

<u>Resignation of Trustee</u>

The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the Secretary of the Authority not less than 60 days before the date when such resignation is to take effect; provided notice of such resignation shall be mailed by first class, postage prepaid, to all Owners of Bonds not less than three weeks prior to the date when the resignation is to take effect. Such resignation shall take effect on the day specified therein unless a successor trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor.

<u>Removal of Trustee</u>

Any Trustee under the Indenture may be removed at any time upon 30 days notice by an instrument appointing a successor to the Trustee so removed, executed by the Owners of a majority in principal amount of the Bonds then Outstanding and filed with the Trustee and the Authority.

<u>Amendments and Supplements Without Consent of Owners of Bonds</u>

The Indenture may be amended or supplemented in connection with the issuance of Additional Bonds, or at any other time and from time to time, without the consent of the Owners of Bonds by a Supplemental Indenture authorized by a Certified Resolution of the Authority filed with the Trustee, for one or more of the following purposes:

(a) to set forth any or all of the matters in connection with the issuance of Additional Bonds required by Section 3.02 of the Indenture;

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

(c) to make appropriate provision for the issuance of Bonds in bearer form with coupons should such issue be available without causing the interest on such Bonds to become taxable for federal income tax purposes;

(d) to comply with any provision of the Code affecting the tax-exempt status of interest on the Bonds; and

(e) to cure any ambiguity or to cure, correct or supplement any defective (whether because of any inconsistency with any other provisions of the Indenture or otherwise) provision of the Indenture in such manner as shall not be inconsistent with the Indenture (which cured, corrected or supplemented provision shall supersede any actions taken by the Trustee under Section 10.11 of the Indenture) and shall not impair the security of the Indenture or adversely affect the Owners of Bonds.

Amendments With Consent of Owners of Bonds

The Indenture may be amended from time to time, except with respect to: (a) the interest payable upon any Bond; (b) the dates of maturity, sinking fund and redemption provisions of any Bonds; (c) Article XII of the Indenture (with respect to amendments and supplements); and (d) the security provisions under the Indenture, by a Supplemental Indenture approved by the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding and affected thereby; provided, that no amendment shall be made which adversely affects one or more but less than all series of Bonds without the consent of the Owners of at least a majority of the then Outstanding Bonds of each series so affected, and 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 Owners of a majority of the Bonds so affected. Amendments with respect to items (a), (b), (c) or (d) described in this section shall be effected only with the consent of Owners of all Bonds then Outstanding and affected by such amendments.

Defeasance

When the 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 irrevocably deposited with the Trustee an amount, evidenced by cash or Government Obligations, the principal of and interest on which, when due, will provide sufficient moneys at such times to fully pay the Bonds, as well as all other sums payable under the Indenture by the Authority with respect to the Bonds and the Indenture, as verified by a verification report prepared by a Consultant, all 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 Person as may be entitled to receive the same all balances remaining in any funds thereunder. The Trustee shall not be required to take any such action unless it shall have received an opinion of nationally recognized bond counsel, stating in substance that all conditions precedent provided in the Indenture for such release have been satisfied.

THE LOAN AGREEMENT

Representations and Warranties

In the Loan Agreement, the College represents and warrants that

(i) (a) it is a not-for-profit educational institution situated within the Commonwealth; (b) it is empowered to provide a program of education beyond the high school level; (c) it is recognized by the State Board of Education as an institution of higher education; (d) it places no restrictions upon the admission of students based upon race, creed or national origin; (e) the Project Facilities shall consist entirely of structures and equipment suitable for use in connection with academic, research and cultural activities at the College, and neither the Project Facilities nor any part thereof shall be designed for use or will be used at any time for sectarian instruction or study or as a place for devotional activities or religious worship; and (f) the Project Facilities shall be required by the

College for the improvement of the quality of the educational services offered by the College or to expand its plant for the accommodation of additional students;

(ii) it is a not-for-profit corporation duly organized, presently existing, and in good standing under the laws of the Commonwealth with full power and legal right to enter into the Loan Agreement and perform its obligations thereunder. The making and performance of the Loan Agreement on the College's part have been duly authorized by all necessary corporate action and will not conflict with or constitute a breach of or default under its Charter, By-Laws or any bond, contract, indenture, agreement or any other instrument by which the College or its property is bound;

(iii) (a) except for Permitted Encumbrances, it has good and marketable title to or the right to use in the operations of the College all College Facilities now in existence and that there will be no liens, encumbrances, covenants, conditions, restrictions or title defects, other than Permitted Encumbrances, which will materially adversely affect the ability of the College to meet its payment obligations under the Loan Agreement; (b) it has not heretofore made a pledge of, granted a lien in, or made an assignment or sale of the Unrestricted Gross Revenues that ranks on a parity with or prior to the pledge of Unrestricted Gross Revenues under the Loan Agreement, except to secure the 2012 Bonds, the 2013 Bonds and the 2015 Bonds; (c) it has not described the Unrestricted Gross Revenues in a UCC-1 financing statement that will remain in effect after the issuance of the 2015 Bonds, except in connection with the issuance of the 2012 Bonds and the 2013 Bonds, respectively; (d) after the issuance of the 2012 Bonds, the 2013 Bonds and the 2015 Bonds, the College shall not make or suffer to exist any pledge or assignment of, lien on, or security interest in the Unrestricted Gross Revenues that is prior to or on a parity with the pledge granted under the Loan Agreement, or file any UCC-1 financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted under the Loan Agreement; and (e) the execution and delivery by the College of the Loan Agreement and compliance with provisions hereof do not and will not conflict with, or result in the breach of, any of the terms, conditions or provisions of, or constitute a default under, the Articles of Incorporation or By-Laws of the College, any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage, lease or instrument by which the College is bound or to which it is subject and;

(iv) (a) it shall neither take any action, nor permit any action within its control which would cause the interest on the 2012 Bonds, the 2013 Bonds or the 2015 Bonds, as applicable and appropriate, to be includible in gross income of the holder thereof for federal income tax purposes; and (b) it shall take any and all affirmative actions necessary to be taken by it to preserve the exclusion of interest on the 2012 Bonds, the 2013 Bonds and the 2015 Bonds, as applicable and appropriate, from the gross income of the holder thereof for federal income tax purposes.

Without limiting the generality of the foregoing, the College will not make any use of the proceeds of the 2012 Bonds, the 2013 Bonds or the 2015 Bonds, as applicable and appropriate, directly or indirectly, in a manner which would cause the 2012 Bonds, the 2013 Bonds or the 2015 Bonds to be "arbitrage bonds" under the provisions of the Code applicable to obligations issued on the date of issuance of the 2012 Bonds, the 2013 Bonds and the 2015 Bonds, respectively.

The College has also agreed and covenanted that it shall at all times do and perform all acts and things necessary or desirable and within its control to comply with each and every covenant and representation set forth in the 2012 Tax Agreement executed by the College and the Authority prior to or simultaneously with the issuance of the 2012 Bonds, the 2013 Tax Agreement executed by the College and the Authority prior to or simultaneously with the issuance of the 2013 Bonds and the 2015 Tax Agreement executed by the College and the Authority prior to or simultaneously with the issuance of the 2015 Bonds.

<u>Loan Repayments</u>

<u>2012 Bonds</u>

Under the Second Supplemental Loan Agreement, the College has agreed to pay to the Authority or its assigns for deposit in the 2012 Debt Service Account established pursuant to Section 4.1 of the Second

Supplemental Indenture created in the Debt Service Fund created under the Indenture (except the sum due pursuant to subsection 4.1(d) of the Second Supplemental Loan Agreement which shall be deposited into the 2012 Debt Service Reserve Fund), the following sums as loan repayments at the following times (or less frequently if paid in advance, subject to the provisions of the Second Supplemental Loan Agreement) in immediately available funds:

(a) On or before December 10 and June 10 of each year commencing December 10, 2012 during the term of the Second Supplemental Loan Agreement, an amount which, together with other available funds on deposit with the Trustee in the 2012 Debt Service Account, is sufficient to pay the interest becoming due on the 2012 Bonds on the next January 1 or July 1, respectively;

(b) On or before December 10 of each year commencing December 10, 2012 to and including December 10, 2031, an amount which, together with other available funds on deposit with the Trustee in the 2012 Debt Service Account, is sufficient to provide for the payment of the principal amount of the 2012 Bonds (except principal maturing January 1, 2033, projected to be paid from the 2012 Debt Service Reserve Fund) becoming due (at stated maturity or through sinking fund redemption) on such January 1;

(c) On or before December 10, 2032, an amount sufficient to pay that portion of the principal of the 2012 Bonds maturing on January 1, 2033, for which funds are not available from the 2012 Debt Service Reserve Fund for such payment as projected pursuant to Section 4.2 of the Second Supplemental Indenture; and

(d) No later than the dates set forth in Section 4.2 of the Second Supplemental Indenture, following receipt by the College of written notice from the Trustee, pursuant to Section 4.2 of the Second Supplemental Indenture, of a deficiency in the 2012 Debt Service Reserve Fund the amount necessary to restore the amount in such fund to a sum equal to the 2012 Debt Service Reserve Fund Requirement.

The College has also agreed to pay certain fees and expenses to the Authority and certain fees to the Trustee, all as set forth in the Loan Agreement.

In lieu of the portion of the loan repayments payable with respect to principal of the 2012 Bonds becoming due (at stated maturity or through sinking fund redemption) on the next following principal or sinking fund payment date, the College, or at its direction the Authority, may, on or before the 45th day prior to such principal or sinking fund payment date, purchase on the open market 2012 Bonds of the maturity becoming due and present such 2012 Bonds to the Trustee for cancellation. The 2012 Bonds so presented to the Trustee shall be credited to the principal amount of the next payment due at 100% of the principal amount of such 2012 Bonds.

2013 Bonds

Under the Third Supplemental Loan Agreement, the College has agreed to pay to the Authority or its assigns for deposit in the 2013 Debt Service Account established pursuant to Section 4.1 of the Third Supplemental Indenture created in the Debt Service Fund created under the Indenture, the following sums as loan repayments at the following times (or less frequently if paid in advance, subject to the provisions of the Third Supplemental Loan Agreement) in immediately available funds:

(a) On or before December 10 and June 10 of each year commencing June 10, 2013 during the term of the Third Supplemental Loan Agreement, an amount which, together with other available funds on deposit with the Trustee in the 2013 Debt Service Account, is sufficient to pay the interest becoming due on the 2013 Bonds on the next January 1 or July 1, respectively; and

(b) On or before December 10 of each year commencing December 10, 2013 to and including December 10, 2032, an amount which, together with other available funds on deposit with the Trustee in the 2013 Debt Service Account, is sufficient to provide for the payment of the principal amount of the 2013 Bonds becoming due (at stated maturity or through sinking fund redemption) on such January 1.

The College has also agreed to pay certain fees and expenses to the Authority and certain fees to the Trustee, all as set forth in the Loan Agreement.

In lieu of the portion of the loan repayments payable with respect to principal of the 2013 Bonds becoming due (at stated maturity or through sinking fund redemption) on the next following principal or sinking fund payment date, the College, or at its direction the Authority, may, on or before the 45th day prior to such principal or sinking fund payment date, purchase on the open market 2013 Bonds of the maturity becoming due and present such 2013 Bonds to the Trustee for cancellation. The 2013 Bonds so presented to the Trustee shall be credited to the principal amount of the next payment due at 100% of the principal amount of such 2013 Bonds.

2015 Bonds

Under the Fourth Supplemental Loan Agreement, the College has agreed to pay to the Authority or its assigns for deposit in the 2015 Debt Service Account established pursuant to Section 4.1 of the Fourth Supplemental Indenture created in the Debt Service Fund created under the Indenture, the following sums as loan repayments at the following times (or less frequently if paid in advance, subject to the provisions of the Fourth Supplemental Loan Agreement) in immediately available funds:

(c) On or before December 10 and June 10 of each year commencing June 10, 2015 during the term of the Fourth Supplemental Loan Agreement, an amount which, together with other available funds on deposit with the Trustee in the 2015 Debt Service Account, is sufficient to pay the interest becoming due on the 2015 Bonds on the next January 1 or July 1, respectively; and

(d) On or before December 10 of each year commencing December 10, 2015 to and including December 10, 2035, an amount which, together with other available funds on deposit with the Trustee in the 2015 Debt Service Account, is sufficient to provide for the payment of the principal amount of the 2015 Bonds becoming due (at stated maturity or through sinking fund redemption) on such January 1.

The College has also agreed to pay certain fees and expenses to the Authority and certain fees to the Trustee, all as set forth in the Loan Agreement.

In lieu of the portion of the loan repayments payable with respect to principal of the 2015 Bonds becoming due (at stated maturity or through sinking fund redemption) on the next following principal or sinking fund payment date, the College, or at its direction the Authority, may, on or before the 45th day prior to such principal or sinking fund payment date, purchase on the open market 2015 Bonds of the maturity becoming due and present such 2015 Bonds to the Trustee for cancellation. The 2015 Bonds so presented to the Trustee shall be credited to the principal amount of the next payment due at 100% of the principal amount of such 2015 Bonds.

Advance Payments and Optional Prepayments

The College may make advance payments and may make optional prepayments as required or permitted by the Loan Agreement or any Supplemental Loan Agreement.

Changes in a Project; Additional Projects

The College may amend the plans and specifications for a Project at any time prior to the completion date of a Project, including amendments which change the proposed allocation of moneys in a particular Project Fund among components of such Project or which delete components of the Project, if, because of presently unanticipated circumstances, in the judgment of the College, moneys allocated to the College in the Project Fund will not be sufficient to complete all components of the Project or it would be uneconomical or otherwise undesirable to proceed with any component of a Project. Notwithstanding the foregoing, the College has agreed that no changes shall be made in any Project, and no amendment shall be made to the plans and specifications, which shall so modify the Project Facilities that they fail to qualify as educational facilities eligible for assistance by the Authority under the Act. Prior to the adoption of any substantial amendment to the plans and specifications or the making of any substantial change in the Project Facilities or their use, the College shall notify the Authority and the Trustee and shall furnish the Authority and the Trustee with such information relating thereto as they may reasonably request, including, in the case of any such change or amendment to a Project or component thereof involving construction, a Certificate of an Architect and an opinion of Counsel to the effect that such proposed amendment or change complies with the requirements of the Loan Agreement.

In the event that the College should wish to undertake an additional Project with unused balances in a Project Fund (whether because of the deletion of a component of a particular Project or otherwise), the College may provide for the payment of the Cost of such additional Project from the unused balances in such Project Fund, if it complies with the foregoing requirements with respect to changes in a Project and, if the interest on the Bonds from which the unspent Project Fund proceeds are derived is tax-exempt, the College also delivers to the Trustee an opinion of nationally recognized bond counsel to the effect that the tax-exempt status of the interest payable on the Bonds, from which the unspent Project Fund proceeds are derived, will not be affected by the use of such proceeds for the additional Project together with an Officer's Certificate of the Authority, to the effect that the additional Project is duly authorized under the Act, and applicable Authority Certified Resolutions.

Insurance

The College covenants to provide and maintain continuously, the following:

(a) Insurance against loss and/or damage to the College Facilities covering such risks as are ordinarily insured against by similar institutions, including, without limiting the generality of the foregoing, property, casualty fire and uniform standard extended coverage endorsements, limited as to coverage only as may be provided in the standard form of extended coverage endorsements at the time in use in the Commonwealth and insurance against loss and/or damage to the College Facilities in an amount not less than the aggregate principal amount of Outstanding Bonds. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the Insurance Consultant, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the Trustee, except that each policy of insurance required under the Loan Agreement may contain a loss deductible clause specifying such sum or sums as the College may determine and as are acceptable to the Insurance Consultant as the sum or sums to be deducted from the amount of loss resulting from particular perils.

(b) Public liability and property damage insurance, automobile liability insurance covering owned, non-owned and hired automobiles and, if applicable, special hazards insurance, in amounts not less than $500,000 for injury to any one Person and in an amount not less than $500,000 in the aggregate for each accident, including both bodily injury and property damage combined.

(c) Worker's Compensation and employer's liability insurance meeting the College's statutory obligations; provided, however, that if the College becomes an approved self-insured, employer's liability coverage in the amount of at least $100,000 shall be purchased.

(d) Boiler and machinery coverage, if applicable, with respect to the College Facilities (direct damage) on a replacement cost basis where deemed advisable by the Authority or the Insurance Consultant, or when required by ordinance or law.

(e) Excess liability coverage, either straight excess or umbrella excess, covering the excess of the amounts insured against pursuant to subsection (b) above as it relates to public liability insurance (other than property damage) to be maintained in force so that the total coverage available under the aforementioned subsection, including this subsection, is not less than $1,000,000 for any one occurrence and $2,000,000 in the aggregate per annum for personal injury.

(f) Fidelity bonds on all officers and employees of the College who collect or have custody of or access to revenues, receipts or any other funds of the College, such bonds to be in such amounts as are customarily carried by like organizations engaged in like activities of comparable size and having comparable income.

Insurance Consultant's Certificate as to Insurance

The College covenanted to furnish to the Authority and the Trustee on or before the execution and delivery of the Loan Agreement, and thereafter prior to the beginning of each Fiscal Year, an Insurance Consultant's Certificate, setting forth amounts and types of insurance then in force with respect to the College Facilities and operation thereof, stating whether, in the opinion of such Insurance Consultant, such insurance is equivalent to insurance customarily carried by similar institutions and whether such insurance then in force is in compliance with the requirements of the Loan Agreement, and stating the amounts and types of insurance to be maintained during the next ensuing Fiscal Year. In addition, the College covenants that prior to the commencement of any Project involving construction (or prior to commencement of that portion of any Project involving construction if only a portion of such Project involves construction), it shall furnish the Authority and the Trustee with copies of insurance certificates evidencing compliance with the requirements of Sections 5.09 and 5.10 of the Loan Agreement.

Permitted Indebtedness

The College has covenanted and agreed that it will not incur or assume (the terms "incur" and "assume", mean and include the guaranteeing of or the direct or indirect assumption of liability for the debts of others) any indebtedness for money borrowed other than the Long-Term Debt, Short-Term Debt and Non-Recourse Debt hereinafter permitted and student loan guarantees as provided in Section 8.05 of the Loan Agreement. The College may incur Long-Term Debt, Short-Term Debt and Non-Recourse Debt as follows:

(a) Subject to the requirements of the Loan Agreement, if no Event of Default under the Loan Agreement shall have occurred and be continuing, the College may incur or assume Long-Term Debt for any lawful purposes upon delivery to the Authority and the Trustee of a Certified Resolution of the College authorizing such Long-Term Debt together with a Certified Public Accountant's certificate stating: (i) that for the Fiscal Year preceding the date of incurrence or assumption the College was in compliance with the rate covenant contained in Section 9.01 of the Loan Agreement; and (ii) in the case of Non-Amortizing Debt or Partially Amortizing Debt, that the Non-Amortizing Principal projected to be Outstanding as of the date of incurring or assuming of such Long-Term Debt, will not exceed an amount equal to 100% of the value of Unrestricted Assets of the College for the Fiscal Year preceding the date of incurrence or assumption thereof;

(b) The College may from time to time incur or assume Long-Term Debt, without complying with the debt incurring tests described in paragraph (a) above, provided that such Long-Term Debt (i) is issued to refund other Long-Term Debt, (ii) will not (giving effect to the refunding) increase average annual Debt Service Requirements on Long-Term Debt, and (iii) will not (giving effect to the refunding) create any greater Non-Amortizing Principal;

(c) The College may from time to time incur or assume Non-Recourse Debt in any amount;

(d) The College may, from time to time, incur or assume Short-Term Debt in an amount which, at any time Outstanding, shall not exceed 30% of Unrestricted Gross Revenues of the College for the immediately preceding Fiscal Year; and

(e) The College may guarantee the payment of another Person's debt, subject to the following: (i) if the "Net Revenues Available for Debt Service" (hereinafter defined) of the Person whose debt is the subject of the College's guaranty is at least 150% of the annual debt service on such Person's debt with a stated term greater than one year or with a term that may be extended beyond one year at the option of the Person obligated to repay the debt (the "Obligor Debt") for its most recently completed fiscal year, then 25% of the debt service guaranteed by the College shall be included in the calculation of the College's Debt Service Requirements; (ii) if such Net Revenues Available for Debt Service of the Person whose debt is the subject of the College's guaranty is at least equal to 125% but less than 150% of the annual debt service on such Person's Obligor Debt for its most recently completed fiscal year, then 50% of the debt service guaranteed by the College shall be included in the calculation of the College's Debt Service Requirements; (iii) if such Net Revenues Available for Debt Service of the Person whose debt is subject of the College's guaranty is at least equal to 110% but less than 125% of the annual debt service on such Person's Obligor Debt for its most recently completed fiscal year, then 75% of the debt service guaranteed by the College shall be included in the calculation of the College's Debt Service Requirements; or (iv) if such Net Revenues Available for Debt Service of the Person whose debt is subject of the College's guaranty is below 110% of the annual debt service on such Person's Obligor Debt for its most recently completed fiscal year, then 100% of the debt service guaranteed by the College shall be included in the calculation of the Debt Service Requirements.

For purposes of this section the term "Net Revenues Available for Debt Service" shall mean such Person's unrestricted revenues minus unrestricted expenses, exclusive of unrealized and realized gains and losses on investments, plus depreciation and interest on outstanding Obligor Debt.

The provisions of this section shall **not** apply to any student loan guarantees made by the College pursuant to section 8.05 of the Loan Agreement.

Security for Indebtedness

Any Long-Term or Short-Term Debt (other than Additional Bonds issued under the Indenture) or Non-Recourse Debt hereafter incurred or assumed as described above may be secured only as described below:

(a) In the case of Alternative Debt incurred to finance additional College Facilities:

(i) by a lien on and security interest in the Pledged College Revenues ranking on a parity (except as described in clause (d) below) with the lien and security interest granted in the Loan Agreement; or

(ii) subject to the provisions of the Loan Agreement, by a lien or mortgage upon College Facilities provided that the amount of such Alternative Debt so secured shall not exceed an amount equal to 40% of the then gross book value of the College's plant, property and equipment (including the gross book value of any new College Facility, but excluding any such Alternative Debt so secured if a parity lien on such College Facilities shall have been granted to the Trustee to secure the College's obligations under the Loan Agreement); or

(b) In the case of other Long-Term Debt:

(i) by a lien on and security interest in any property or interest in tangible property, real, personal, or mixed other than the College Facilities; or

(ii) by a purchase money security interest in fixtures and equipment made part of the College Facilities; or

(iii) in the case of obligations referred to in clauses (i) and (ii) of the definition of Pledged College Revenues contained in Article I of the Indenture, by a security interest in that portion of the Unrestricted Gross Revenues derived from the specific facilities pledged to secure such obligations prior to the security interest therein of the Authority.

If in connection with the issue of Alternative Debt described in clause (a) above the College grants a mortgage on or security interest in any part of the College Facilities, the College shall grant to the Trustee a mortgage and/or security interest covering the same property of equal priority to secure the Loan Agreement. Under the provisions of the Indenture, any Alternative Debt shall be deemed an additional series of Bonds for the purpose of being entitled in event of any default to the security of the Indenture, except for the limitations described in paragraph (d) below. Any default under any agreement for repayment of Alternative Debt shall be a default under the Loan Agreement and under the Indenture. In the event of any default, the College shall certify to the Trustee the amount of Alternative Debt outstanding. As provided in the Indenture, the holders of Alternative Debt shall be entitled to the same remedies as the Owners of Bonds under the Indenture, and their rights shall be enforced by the Trustee in the same manner, and subject to the same limitations as the rights of such Owners of Bonds; provided that the holders of a majority in aggregate principal amount of all Alternative Debt then Outstanding and all Bonds then Outstanding issued under the Indenture 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, except that such direction shall not be otherwise than in accordance with law or the provisions of the

Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial either to the holders of Alternative Debt or the Owners of Bonds who are not parties to such direction.

(c) Any Short-Term Debt incurred pursuant to Section 8.03(d) of the Loan Agreement may be secured solely:

(i) by a purchase money security interest in personal property acquired with the proceeds thereof;

(ii) by a lien or mortgage against any real or personal property other than the College Facilities;

(iii) by a security interest in the Unrestricted Gross Revenues on a parity with that of the Authority under the Loan Agreement, provided that the amount of such Short-Term Debt so secured alone or in the aggregate at any time outstanding shall not exceed 10% of Unrestricted Gross Revenues for the prior Fiscal Year; or

(iv) by a security interest in the Unrestricted Gross Revenues subordinate to that of the Authority under the Loan Agreement.

(d) In no event shall any other indebtedness other than Additional Bonds be secured by a lien on the moneys and investments held by the Trustee in the funds created under the Indenture, except as otherwise provided therein and in the Loan Agreement.

(e) Non-Recourse Debt incurred or assumed by the College to finance the acquisition of equipment may be secured solely by a purchase money security interest in the equipment acquired with the proceeds of the debt and Non-Recourse Debt incurred or assumed by the College to finance the construction or acquisition of College Facilities may be secured solely by revenues derived from the operation or sale of the financed facilities and/or a security interest in and/or a mortgage on the financed facilities.

Student Loan Guarantees

The College may incur obligations in the form of student loan guarantees of loans to students pursuant to a program, whether governmental or privately sponsored, to provide aid to students for tuition, room and/or board, or other expenses associated with the attendance by the student at the College and which program shall require that the College execute its student loan guarantee. In the case of a program which is fully-funded, no part of the obligations guaranteed by the College shall constitute Long-Term Debt or Short-Term Debt of the College. To the extent that a program is not fully-funded as provided in the Loan Agreement, the amount by which the liabilities exceed the assets shall be determined and such amount shall constitute Long-Term Debt of the College for all purposes of the Loan Agreement and the proportionate part of the Debt Service Requirements on such obligations represented by such deficiency shall be deemed to be Debt Service Requirements on Long-Term Debt.

Additional Covenants of the College

In the Loan Agreement, the College covenants that it will:

(i) operate the College Facilities as an institution of higher education within the meaning of the Act and fix, charge and collect tuition, charges and fees from all full-time and part-time students, and other rates, fees and charges for its services and, where appropriate, for the use of the College Facilities, which will provide Net Revenues, together with other funds available therefor (including capitalized interest held by the Trustee under the Indenture), in each Fiscal Year during the term of the Loan Agreement in an amount at least equal to 110% of the Long-Term Debt for such Fiscal Year.

If, in any two consecutive Fiscal Years, the College fails to meet the foregoing covenant, it shall immediately request a Consultant to make a report and recommendation with respect to such rates, fees and charges.

The College further covenants that upon receipt of such report and recommendation from the Consultant, the College shall cause copies thereof to be filed with the Trustee and the Authority, and the College shall take appropriate steps to implement the recommendations of the Consultant. No Event of Default shall occur under Section 10.01(c) of the Loan Agreement due to the failure of the College to comply with its covenant under this section so long as there is no default by the College under subsection (a) or (b) of Section 10.01 of the Loan Agreement.

(ii) as of the date of the Loan Agreement it is an organization: (a) organized and operated exclusively for educational purposes; (b) not for pecuniary profit; and (c) no part of the net earnings of which inures to the benefit of any person, private stockholder, or individual, all within the meaning of the Securities Act of 1933, as amended. The College agrees that it shall not perform any act nor enter into any agreement which shall change such status as described in this section.

(iii) preserve and maintain its existence as a not-for-profit corporation under the laws of the Commonwealth and preserve and maintain its authority to operate the College Facilities as an institution of higher education in the Commonwealth.

(iv) maintain the necessary accreditation to enable it to maintain its authority to operate the College as an institution of higher education in the Commonwealth within the meaning of the Act.

(v) during the term of the Loan Agreement it will not initiate any proceedings or take any action whatsoever to dissolve or liquidate or to terminate its existence as a corporation or otherwise dispose of all or substantially all of its assets, either in a single transaction or in a series of related transactions except as provided below. The College covenants that during the term of the Loan Agreement it will not consolidate with, transfer all or substantially all of its assets to, or merge into any other corporation, unless certain conditions set forth in the Loan Agreement are met.

(vi) at its own expense, keep and maintain the College Facilities in good order, repair and operating condition; that it will, without cost to the Authority, pay all costs and charges both ordinary and extraordinary, necessary for such maintenance and repair; and that it will maintain, repair, renew, replace and/or improve, as necessary, all furnishings, equipment and other property forming part of the College Facilities, so as to operate continuously the College Facilities, except in the case of damage, destruction or condemnation. The provisions of this section shall not apply, however, to any College Facilities to the extent that in the opinion of the College such Facilities become obsolete, unsuitable, undesirable or unnecessary.

(vii) all actions heretofore and hereafter taken by the College to acquire and carry out the Project, including the making of contracts or the entering into of purchase orders, have been and will be in full compliance with all pertinent laws, ordinances, rules, regulations and orders applicable to the College. In connection with the operation, maintenance, repair and replacement of the College Facilities, the College covenants that it shall comply with all applicable ordinances, laws, rules, regulations and orders of the government of the United States of America, the Commonwealth or any political subdivision thereof, and any requirement of any board of fire underwriters having jurisdiction or of any insurance company writing insurance on the College Facilities; provided, however, that nothing in the Loan Agreement shall prevent or prohibit the College from contesting in good faith and by appropriate proceedings the legality or reasonableness of any such standards, or the imposition of any such standards upon it with respect to the College Facilities so long as the operation of the College Facilities or the receipt of income therefrom would not be materially adversely affected by reason thereof. The College further covenants and represents that the College Facilities are in compliance with all applicable zoning, subdivision, building, land use and similar laws and ordinances. The College covenants that it will not take any action which would cause the College Facilities to be in violation of such laws or ordinances or make any conveyance of the College Facilities or any portion thereof if such conveyance would create a violation of such laws and ordinances. The College acknowledges that any review by the Authority's staff or Counsel of any action heretofore or hereafter taken by the College in respect of the foregoing has been or will be solely for the protection of the Authority. Such review shall not prevent the Authority from enforcing any of the covenants made by the College.

(viii) keep accurate records and books of account with respect to the revenues and expenses of the College in accordance with Generally Accepted Accounting Principles and have an annual examination of its financial statements, including the College's statement of revenues and expenses, made by a Certified Public Accountant. A copy of the report on such examination and a certification of such Certified Public Accountant, as described in the Indenture, shall be available for inspection at reasonable times by Owners of Bonds at the office of the Authority.

At any time during the term of the Loan Agreement, upon request of the Authority or the Trustee, the College will make available to the Authority and/or the Trustee such internal operating and financial reports as may have been prepared, on a monthly basis or otherwise, by the College or its Certified Public Accountant, and such other financial information as the Authority or the Trustee shall reasonably request.

(ix) not do or suffer to be done anything whereby the College Facilities, or any part thereof, may, during any period of construction, be encumbered by any mechanic's or other similar lien and if, whenever and as often as any mechanic's or other similar lien is filed against the College Facilities, or any part thereof, purporting to be for or on account of any labor done or materials or service furnished in connection with any work in, on or about the College Facilities done by, for or under the authority of the College or anyone claiming by, through or under the College, the College shall discharge the same of record within thirty (30) days after the date of filing.

The College, notwithstanding the above, shall have the right to contest any such mechanic's or other similar lien if: (a) within said thirty (30) day period stated above it notifies the Trustee in writing of its intention to do so; (b) if requested by the Trustee, it deposits with the Authority a bond in favor of the Trustee, with a surety company or companies, qualified to do business in the Commonwealth, acceptable to the Trustee, as surety, in the sum of at least twice the amount of the lien claim so contested, indemnifying and protecting the Trustee from and against any liability, loss, damage, cost and expense of whatever kind or nature growing out of or in any way connected with said asserted lien and the contest thereof, and (c) the College diligently prosecutes such contest at all times, effectively stays or prevents any official or judicial sale of the College Facilities, or any part thereof or interest therein, under execution or otherwise, and pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and thereafter promptly procures record release or satisfaction thereof.

(x) as of the date of the Loan Agreement:

(A) it is an organization described in Section 501(c)(3) of the Code;

(B) it is not in violation of any conditions imposed by applicable law and regulations precedent to its being so described; and

(C) it is exempt from federal income tax under Section 501(a) of the Code.

(xi) throughout the term of the Loan Agreement:

(A) it will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain such federal income tax status of the College; and

(B) it will not perform any acts nor enter into any agreements which shall cause any revocation or adverse modification of such federal income tax status of the College; and

(C) it will not carry on or permit to be carried on in the Project Facilities (or with Bond proceeds or the proceeds of any loan refinanced with the Bond proceeds) any trade or business the conduct of which (a) is not substantially related (aside from the need of the College for income or funds or the use it makes of the profits derived) to the exercise or performance by the College of purposes or functions described in Section 501(c)(3) of the Code, and (b) would cause the interest paid by the Authority on Bonds to be includable in gross income for federal income tax purposes; and

(D) 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 cause the interest paid by the Authority on the 2012 Bonds, the 2013 Bonds or the 2015 Bonds to be includable in gross income for federal income tax purposes.

Transfer and Release of Property

Except with respect to the transactions contemplated by the Loan Agreement, the College covenants that it will not, except as authorized by the Loan Agreement or the Indenture, transfer or permit the transfer of the Loan Agreement or the College Facilities or any interest therein or part thereof. Notwithstanding anything to the contrary in this section, the College may:

(a) if no Event of Default under the Loan Agreement shall have happened and be continuing, with or without consideration:

(i) transfer easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the College Facilities so long as any such transfers do not materially and adversely affect the use or value of the College Facilities as set forth in an Appraiser's Certificate to be delivered to the Trustee and the Authority; and

(ii) release existing easements, licenses, rights of way and other rights or privileges; and

(iii) enter into agreements affecting the use of the College Facilities or any portion thereof provided that such agreements do not materially and adversely affect the ability of the College to carry out its educational purposes or the value of the College Facilities;

all upon such terms and conditions as the College shall determine;

(b) transfer property which has been replaced in the ordinary course of operations;

(c) transfer any other tangible or intangible personal property, fixtures, or equipment from the College Facilities in the ordinary course of business;

(d) transfer any tangible or intangible personal property, fixtures, or equipment from the College Facilities or real property at any one time or during any Fiscal Year having a net book value alone or in the aggregate not in excess of 2.5% of net book value of the College's Unrestricted Assets.

Events of Default

The following are "Events of Default" under the Loan Agreement:

(a) if the College fails to make any payment required by Section 4.01 of, or any similar provision of a supplement or amendment to the Loan Agreement or of an additional loan agreement, as applicable, executed in connection with the issuance of Additional Bonds in accordance with Section 3.02 of the Indenture when the same shall become due and payable; or

(b) if the College fails to make any other payment required by the Loan Agreement and such failure continues for 10 days after the Authority gives notice that such other payment is due and unpaid; or

(c) if the College fails to perform any of its other covenants or fails to perform any of its obligations under the Loan Agreement and such failure continues for 30 days after the Authority gives the College notice thereof; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such 30-day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as, the College shall commence such performance within such 30-day period and shall diligently and continuously prosecute the same to completion; or

(d) if the College shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or in any action or proceeding shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the College or of all or substantially all of its properties; or

(e) if within 30 days after the commencement of any proceeding against the College seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any federal, state or other statute or law, such proceeding shall not have been dismissed, or, within 30 days after the appointment, without the consent or acquiescence of the College, of any trustee, receiver or liquidator of the College or of all or substantially all of its properties, such appointment shall not have been vacated or stayed on appeal or otherwise, or, within 30 days after the expiration of any such date, such appointment shall not have been vacated; or

(f) if an Event of Default shall have occurred and be continuing under the Indenture; or

(g) if an event of default in the payment of money shall have occurred and be continuing, or an acceleration of the entire amount due by reason of an event of default shall have occurred, under any instrument evidencing indebtedness (other than any instrument evidencing indebtedness described in clauses (i) or (ii) of the definition of Pledged College Revenues contained in Article I of the Indenture) secured by a lien prior to or on a parity with the lien of the Loan Agreement on any of the Pledged College Revenues.

Acceleration

If any of the foregoing Events of Default has occurred and is continuing, and the Trustee has declared the principal of any Bonds then Outstanding to be immediately due and payable pursuant to the Loan Agreement or the Indenture, then, in addition to its other remedies, at law, in equity, or provided for in the Loan Agreement, the Authority may declare all amounts payable under Section 4.01 of the Loan Agreement, Section 4.1 of the First Supplemental Loan Agreement or Section 4.1 of the Second Supplemental Loan Agreement, as applicable to be immediately due and payable. Upon such declaration there shall become due and payable under the Loan Agreement as then current damages an amount equal to the principal of all Bonds which were declared by the Trustee to be immediately due and payable, plus accrued interest to the date of payment of such Bonds and all other amounts then due and payable under the Loan Agreement to the Authority and the Trustee. Until said amount is paid by the College, the Authority shall continue to have all of the rights, powers and remedies set forth in the Loan Agreement, and the College's obligations in the Loan Agreement shall continue in full force and effect.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT is executed and delivered on April 15, 2015, by and between Ursinus College (the "College") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, pursuant to the Bond Purchase Agreement dated April 15, 2015, by and among the Pennsylvania Higher Educational Facilities Authority (the "Authority"), the College, and RBC Capital Markets, LLC as the underwriter (the "Underwriter"), the Authority is selling $12,160,000 aggregate principal amount, of the College Revenue Bonds, Series of 2015 (the "Bonds") to the Underwriter; and

WHEREAS, Rule 15c2-12 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.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Definitions.

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

"EMMA" shall mean the MSRB's Electronic Municipal Market Access System (www.emma.msrb.org).

"Loan Agreement" shall mean the Loan and Security Agreement, dated as of October 1, 2003, as heretofore amended and supplemented, and as further amended and supplemented by the Fourth Supplemental Loan and Security Agreement, dated as of April 1, 2015, between the Authority and the College.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement, dated April 1, 2015 of the Authority and the College with respect to the Bonds.

"Trust Indenture" shall mean the Trust Indenture, dated as of October 1, 2003, as heretofore amended and supplemented, and as further amended and supplemented by the Fourth Supplemental Trust Indenture, dated April 1, 2015, between the Authority and the Trustee.

Terms not otherwise defined herein shall have the same meanings as in the Trust Indenture.

Section 2. Covenants of the College.

The College covenants as follows:

(a) The College shall deliver to the Authority and the MSRB, through EMMA, within 180 days after the end of each fiscal year commencing with the fiscal year ending June 30, 2015, certain financial information and other operating data with respect to the College (collectively, the "Annual Report"), as follows:

(1) The financial statements of the College for the most recent fiscal year and prepared in accordance with accounting principles generally accepted in the United States of America, applied on a consistent basis, and audited by the College's independent certified public accountants in accordance with auditing standards generally accepted in the United States of America;

(2) A summary, as of the date of each Annual Report, of all full-time and part-time employment at the College (with information of the type set forth under the heading "Faculty" in Appendix A to the Official Statement);

(3) A summary, as of the date of the Annual Report, of the full-time and part-time enrollment at the College for the current academic year of the College (with information of the type set forth under the heading "Enrollment" in Appendix A to the Official Statement);

(4) A summary, as of the date of the Annual Report, of applications, acceptances and matriculating students at the College for the current academic year of the College, including comparative information for the immediately preceding academic year (with information of the type set forth under the heading "Enrollment" in Appendix A to the Official Statement);

(5) A summary of undergraduate full-time tuition and fees for the current academic year of the College (with information of the type set forth under the heading "Tuition and Fees" in the Appendix A to the Official Statement);

(6) A summary of the availability of subsidized and non-subsidized loans to College students for the current academic year (with information of the type set forth under the heading "Financial Aid to Students" in Appendix A to the Official Statement);

(7) A summary of the aggregate amounts of insurance carried by the College for primary business purposes as of the date of each Annual Report (in substance similar to the information under the heading "Insurance" in Appendix A to the Official Statement); and

(8) A summary of any significant and financially material litigation to which the College is a party, if any.

(b) In a timely matter, not in excess of ten (10) business days after the occurrence of the event, the College shall deliver to the Authority, the Trustee and the MSRB, through EMMA, notice of any of the following events (collectively, "Reportable Events") with respect to the 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 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 Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of the Bondowners, if material;

(8) Unscheduled bond calls, if material;

(9) Tender offers;

(10) Defeasances;

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

(12) Rating changes on the Bonds or on any other debt for which the College is obligated;

(13) Bankruptcy, insolvency, receivership or similar proceeding of the College;[1]

(14) The consummation of a merger, consolidation, or acquisition involving the College or the sale of all or substantially all of the assets of the College, 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;

(15) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(c) In a timely manner, the College shall give to the Trustee, the Authority and the MSRB, through EMMA, notice of any failure by the College to provide any information required pursuant to subsection (a) above on or before the date specified in subsection (a) above.

(d) The College shall send to the Trustee and the Authority concurrently with the delivery of any information required pursuant to subsection (a) or (b) above a certificate signed by an authorized officer of the College, stating that it has filed such information with the MSRB, through EMMA.

(e) The College agrees to provide information required in subsection (a) and (b) above for all persons who are determined by it to be "Obligated Persons" under the Rule.

(f) The College agrees that the provisions of this Section 2 shall be for the benefit of the registered holders and beneficial owners of the Bonds, and shall be enforceable by any holders or beneficial owners of the Bonds, or by the Trustee on their behalf, in accordance with the provisions of Section 6 herein.

Section 3. Duties of Trustee.

The Trustee shall have no responsibility or liability in connection with the College's filing obligations under this Continuing Disclosure Agreement. The Trustee shall have only

[1] This event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated group.

those duties specifically set forth in this Continuing Disclosure Agreement and no other duties shall be implied. The College agrees to indemnify and save the Trustee, its officers, directors, employees and agents (collectively, the "Indemnitees"), from and against any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket expenses, incidental expenses, 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 on, incurred by, or asserted against, the Indemnitees or any of them for following any instruction or other direction upon which the Trustee is authorized to rely pursuant to the terms of this Continuing Disclosure Agreement. In addition to and not in limitation of the immediately preceding sentence, the College also covenants and agrees to indemnify and save 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 performance under this Continuing Disclosure Agreement provided the Trustee has not acted with gross negligence or in violation of this Continuing Disclosure Agreement or engaged in willful misconduct. The provisions of this Section 3 shall survive the termination of this Continuing Disclosure Agreement and the resignation or removal of the Trustee for any reason. Anything in this Continuing Disclosure Agreement to the contrary notwithstanding, in no event shall the Trustee 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 has been advised of the likelihood of such loss or damage and regardless of the form of action. In acting under this Continuing Disclosure Agreement, the Trustee shall be entitled to rights, protections and immunities provided to it under the Trust Indenture.

Section 4. Termination of Reporting Obligations.

The College's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the College's obligations with respect to the payment of the Bonds are assumed in full by some other entity, such other entity shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the College, and the College shall have no further responsibility hereunder. In addition, the College's obligation to provide information and notices as specified in Section 2 hereof shall terminate (a) at such other times as such information and notices (or any portion thereof) are no longer required to be provided by the Rule as it applies to the Bonds, (b) in the event of a repeal or rescission of the Rule or (c) upon a determination that the Rule is invalid or unenforceable. In acting under this Continuing Disclosure Agreement, the Trustee shall be entitled to rights, protections and immunities provided to in under the Trust Indenture.

Section 5. Amendment.

The College and the Trustee may amend this Continuing Disclosure Agreement and waive any of the provisions hereof, but no such amendment or waiver shall be executed and effective unless (a) the amendment or waiver is made in connection with a change in legal requirements, change in law or change in the identity, nature or status of the College or the operations conducted by the College, and (b) this Continuing Disclosure Agreement, as modified by the amendment or waiver complies with the requirements of the Rule. Prior to executing any requested amendment, the Trustee may request the College to provide an opinion, addressed to Trustee, of counsel knowledgeable in federal securities laws and not unacceptable to the Trustee to the effect that the proposed amendment satisfies the requirements described above, which opinion the Trustee may exclusively rely upon. In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the College shall describe such amendment in its next annual report delivered pursuant to Section 2(a) hereof, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the financial information or operating data being presented by the College. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i.e., changes other than those prescribed by generally accepted accounting principles), (i) notice of such change shall be given pursuant to the Reportable Event notice requirements as set forth in this Continuing Disclosure Agreement; and (ii) the annual report for the year in which the change is made will present a comparison between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. To the extent that the Rule requires or permits an approving vote of beneficial owners of the Bonds in connection with an amendment, the approving vote of beneficial owners of Bonds constituting more than 50% of the aggregate principal amount of the then outstanding Bonds shall constitute such approval. The College shall provide notice of any amendment to this Continuing Disclosure Agreement to the MSRB, through EMMA, and to the registered holders of the Bonds.

Section 6. Remedies for Default.

In the event of a breach or default by the College of its covenants to provide annual financial information and notices as provided in Section 2 hereof, the Trustee or any registered holder or beneficial owner of Bonds shall have the right to bring an action in a court of competent jurisdiction to compel specific performance by the College. A breach or default under this Continuing Disclosure Agreement shall not constitute a default or an event of default under the Bonds, the Trust Indenture, the Loan Agreement executed in connection therewith, or any other agreement. The Trustee shall be under no obligation to enforce this Continuing Disclosure Agreement unless (a) directed in writing by the registered holders or beneficial owners of at least 25% of the outstanding principal amount of the Bonds and (b) furnished with indemnity and security for expenses satisfactory to it in its sole discretion.

Section 7. Miscellaneous.

(a) Binding Nature of Agreement. This Continuing Disclosure Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. In addition, registered owners of the Bonds, which for the purposes of this Section 7 includes the holders of a book-entry credit evidencing an interest in the 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 beneficial owners of the Bonds shall be required in connection with any amendment of this Continuing Disclosure Agreement, except as required by the Rule. Holders of book-entry credits evidencing an interest in the Bonds may file their names and addresses with the College for the purposes of receiving notices and with the Trustee for the purpose of giving direction under this Continuing Disclosure Agreement.

(b) Notices. All notices and other communications required or permitted under this Continuing Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee or when deposited in the United States mails, registered or certified mail, postage prepaid, return receipt requested), addressed or sent as set forth below:

(i) To the Trustee at:

The Bank of New York Mellon Trust Company, N.A.
525 William Penn Place, 38th Floor
Pittsburgh, PA 15259
Attention: Global Corporate Trust - Public Finance

(ii) To the College at:

Ursinus College
601 Main Street
Collegeville, PA 19426-1000
Attention: Vice President for Finance
and Administration

(iii) To the Authority at:

Pennsylvania Higher Educational
Facilities Authority
1035 Mumma Road
Wormleysburg, PA 17043
Attention: Executive Director

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section.

(c) Execution in Counterparts. This Continuing Disclosure Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Continuing Disclosure Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall be executed by all of the parties hereto.

(d) Controlling Law. This Continuing Disclosure Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and the Rule.

(e) Resignations, Successor and Assigns. The Trustee may resign its duties hereunder upon 30 days prior written notice to the Authority and the College. Notwithstanding anything herein to the contrary, any successor trustee under the Trust Indenture under which the

Bonds were issued shall automatically succeed to the rights and obligations of the Trustee under this Continuing Disclosure Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Continuing Disclosure Agreement as of the date first above written.

URSINUS COLLEGE

By:____________________________
Authorized Officer

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:____________________________
Authorized Signatory

APPENDIX E

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

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[PROPOSED FORM OF OPINION OF BOND COUNSEL]

April __, 2015

Re: $12,160,000, aggregate principal amount,
Pennsylvania Higher Educational Facilities Authority,
Ursinus College Revenue Bonds, Series of 2015

To the Purchasers of the Within-Described Bonds:

We have served as bond counsel in connection with the issuance by the Pennsylvania Higher Educational Facilities Authority ("Authority"), a body corporate and politic created pursuant to the Pennsylvania Higher Educational Facilities Authority Act of 1967, Act of December 6, 1967, P.L. 678, as amended ("Act"), of $12,160,000, aggregate principal amount, Ursinus College Revenue Bonds, Series of 2015 ("2015 Bonds").

The 2015 Bonds are issued pursuant to the Act, a resolution adopted by the Authority on March 10, 2015 ("Resolution"), and a Trust Indenture, dated as of October 1, 2003 ("Original Indenture"), as amended and supplemented by a First Supplemental Trust Indenture, dated as of February 15, 2006 ("First Supplemental Indenture"), a Second Supplemental Trust Indenture, dated May 21, 2012 (the "Second Supplemental Indenture"), a Third Supplemental Trust Indenture, dated May 1, 2013 (the "Third Supplemental Indenture"), as further amended and supplemented by the Fourth Supplemental Trust Indenture, dated April 15, 2015 (the "Fourth Supplemental Indenture" and together with the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee ("Trustee").

The proceeds of the 2015 Bonds, together with certain other funds available for the purpose, will be applied to finance: (i) the advance refunding of the Authority's remaining outstanding Ursinus College Revenue Bonds, Series of 2006; and (ii) the payment of costs and expenses incident to the issuance of the 2015 Bonds.

The proceeds of the 2015 Bonds will be loaned by the Authority to the Ursinus College (the "College") pursuant to a Loan and Security Agreement, dated as of October 1, 2003 ("Original Agreement"), as amended and supplemented by a First Supplemental Loan and Security Agreement, dated as of February 15, 2006 ("First Supplemental Loan Agreement"), a Second Supplemental Loan and Security Agreement, dated May 21, 2012 (the "Second Supplemental Loan Agreement"), a Third Supplemental Loan and Security Agreement, dated May 1, 2013 (the "Third Supplemental Indenture") and as further amended and supplemented by the Fourth Supplemental Loan and Security Agreement, dated April 15, 2015 (the "Fourth Supplemental Loan Agreement" and together with the Original Loan Agreement, the First

Supplemental Loan Agreement, the Second Supplemental Loan Agreement and the Third Supplemental Loan Agreement, the "Loan Agreement"), between the Authority and the College. The Authority has assigned all of its right, title and interest in the Loan Agreement (except for the right to give approvals and consents, the right to receive notices, the right to execute modifications, supplements and amendments to the Loan Agreement, the right to pursue remedies, the right to payment of certain expenses and the right to indemnification) to the Trustee for the benefit of Bondholders.

As the basis for this opinion we have examined such matters of law and such documents, certifications, instruments and records as we deemed necessary to enable us to render the opinion set forth below, including the Act, applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder or made applicable with respect thereto (collectively, "Code"), and original counterparts or certified copies of the Resolution, the Indenture, the Loan Agreement, the certificates of certain Authority officials having responsibility for issuing the 2015 Bonds given pursuant to the Code, certifications by the College as to certain matters under the Code, opinions as to various matters delivered by the Authority's counsel and counsel to the College, and the other documents, certifications, instruments and records listed in the Closing Agenda and Index in respect of the 2015 Bonds filed this date with the Trustee. We have also examined a fully executed and authenticated 2015 Bond or a true copy thereof. In rendering this opinion, we have relied on the opinions referred to above as to all matters of fact and law set forth therein, and on the genuineness, truthfulness and completeness of all documentation examined as referred to above.

Based on the foregoing and the other qualifications and limitations set forth herein, we are of the opinion that:

1. The Authority is validly existing under the Act, and at all relevant times had and has full power and authority thereunder to adopt the Resolution, to execute the Fourth Supplemental Indenture and the Fourth Supplemental Loan Agreement, to perform its obligations thereunder, and to issue the 2015 Bonds.

2. The Fourth Supplemental Indenture and the Fourth Supplemental Loan Agreement have been duly authorized, executed and delivered by the Authority, and the obligations of the Authority thereunder are valid and binding and enforceable in accordance with the respective terms thereof, except as enforcement may be affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws or legal or equitable principles affecting the enforcement of creditors' rights ("Creditors' Rights Limitations").

3. The 2015 Bonds have been duly authorized, executed and issued by the Authority, and are valid and binding special, limited obligations of the Authority, payable solely from the sources described in the Indenture, and enforceable in accordance with their terms, except as enforcement may be affected by Creditors' Rights Limitations, and the 2015 Bonds are entitled to the benefit and security of the Indenture to the extent provided therein.

4. Under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") as enacted and construed on the date hereof, interest on the 2015 Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax, and the 2015

Bonds are exempt from personal property taxes in the Commonwealth; however, under the laws of the Commonwealth as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the 2015 Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth.

5. Under existing statutes, regulations, rulings and court decisions, interest on the 2015 Bonds, including interest accruing in the form of original issue discount, is excluded from gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Authority and the College, respectively, with the requirements of the Code. Interest on the 2015 Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax ("AMT"); however, interest on the 2015 Bonds held by certain corporations is included in the computation of "adjusted current earnings", a portion of which is taken into account in determining the AMT imposed on such corporations.

In rendering this opinion, we have assumed compliance by the Authority and the College, respectively, with its covenants and representations contained in the Tax Exemption Certificate and Agreement executed on the date hereof, the Indenture and the Loan Agreement, respectively, relating to actions to be taken by the Authority and the College, respectively, after the issuance of the 2015 Bonds necessary to effect or maintain the exclusion from gross income of the interest on the 2015 Bonds for federal income tax purposes. These covenants and representations relate to, inter alia, the use of and investment of proceeds of the 2015 Bonds, and the rebate to the United States Department of Treasury of specified arbitrage earnings, if required. Failure to comply with such covenants could result in the interest on the 2015 Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the 2015 Bonds.

We call your attention to the fact that the 2015 Bonds are special, limited obligations of the Authority, and neither the faith nor credit of the Commonwealth or of any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the 2015 Bonds. The Authority has no taxing power.

We express no opinion as to any matter not set forth in the numbered paragraphs herein. This opinion is rendered on the basis of federal law and the laws of the Commonwealth as enacted and construed on the date hereof. This opinion is given as of the date hereof and we assume no obligation to supplement this opinion to reflect changes in the law that may hereafter occur or changes in facts or circumstances that may hereafter come to our attention. Without limiting the generality of the foregoing, we express no opinion with respect to and assume no responsibility for, the accuracy, adequacy or completeness of the preliminary official statement or the official statement prepared in respect of the offering of the 2015 Bonds, and make no representation that we have independently verified the contents thereof.

Very truly yours,

ECKERT SEAMANS CHERIN & MELLOTT, LLC

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Ursinus College