

Meeting of the Board
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
July 14, 2016
Room 515 North Office Building
Harrisburg, Pennsylvania
10:35 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, Roll Call and Announcement of Quorum.
2. Approval of the Minutes of the Meeting of June 9, 2016.
3. Approval of Projects.
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of Saint Joseph's University.
 - B. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education.
 - C. Resolution Authorizing the Undertaking of a Project on Behalf of Mount Aloysius College.
4. Old Business.
5. New Business.
6. Adjournment.

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

With a quorum of the Board being present, the meeting of the Board of the Pennsylvania Higher Educational Facilities Authority was called to order on Thursday, July 14, 2016 at 10:36 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Kelly Phenicie, (Proxy for Senator Lloyd K. Smucker)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
Christopher Craig, (Proxy for Treasurer Timothy A. Reese)
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)
Secretary of General Services Curtis M. Topper
Ernie Helling, (Proxy for Secretary of Education Pedro A. Rivera)

Board Members Absent

Representative Stan Saylor

Authority Personnel Present

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

Also Present

William McCarty, Esquire, Barley Snyder LLP
Joel Snavely, Treasury Manager, Pennsylvania State System of Higher Education
Nilda Sather, Senior Treasury Accountant, Pennsylvania State System of Higher Education
Troy Brown, Legal Intern, Department of the Auditor General

Participated Via Conference Call

David Beaupre, Vice President for Finance & Administration & Treasurer, Saint Joseph's University
Paul Clancy, Managing Director, RBC Capital Markets, LLC

Barbara Beckman, Esquire, Ballard Spahr LLP
Teri Guarnacci, Esquire, Ballard Spahr LLP
Linda Eremita, Executive Vice President & Manager, George K. Baum & Company

Ms. Nawa welcomed Troy Brown, Legal Intern, Department of the Auditor General, to the meeting.

2. APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 9, 2016.

A copy of the minutes of the meeting of June 9, 2016, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the PHEFA meeting of June 9, 2016, be and hereby are approved as presented.

Upon **MOTION** by **Mr. Helling**, and **SECONDED** by **Secretary Topper**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of July 14, 2016.

3. APPROVAL OF PROJECTS.

A. Resolution Authorizing the Undertaking of a Project on Behalf of Saint Joseph's University.

Mr. Baccon explained that Saint Joseph's University has requested that we issue a maximum of \$23,000,000 in Revenue Bonds for the refunding of the indebtedness represented by the Philadelphia Authority for Industrial Development Revenue Bonds (Fortier II, Project) Series of 2014, initially used to refinance two student residence halls and associated parking located on the University's campus, assumed in connection with the termination of certain leases between Fortier and the University and the automatic reversion of such improvements to the University.

The Bonds are expected to be purchased by TD Bank. After completing an RFP and at the request of the University, the Office of General Counsel has appointed Ballard Spahr as Bond Counsel.

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

David Beaupre, Vice President for Finance & Administration and Treasurer of the University, Paul Clancy of RBC Capital Markets, and Barbara Beckman of Ballard Spahr are on the phone to answer any questions from board members.

Chairperson Heuer asked if board members had any questions or comments about the project.

Mr. Craig asked what is the bond counsel cost and the projected savings of the refunding.

Mr. Beaupre explained that the bond counsel cost is \$32,000. He explained that the University is taking on the debt of Fortier.

Ms. Beckman explained that Fortier II is an affiliate of the University. It was created about 15 years ago to finance two student residence halls on land that it leased from the University. The University has determined that it makes sense at this point to take ownership of the residence halls, cancel the ground lease and assume the debt. Depending on how you look at it from a tax standpoint, it is either a refunding or an assumption of debt. They are doing it not to save but to bring the debt back on to the University's balance sheet.

Mr. Beaupre added that it is also going to give the University approximately \$2,000,000 in additional operating income.

Ms. Pike-Nase asked what is the affiliate's current status.

Mike Barnes of Saul Ewing, counsel to the University was also on the conference call. He explained that Fortier II is a supporting organization of Saint Joseph's University. After the ground lease is terminated, they will no longer have any assets. The entity will remain to close up its affairs and then will be dissolved. Upon its dissolution, per the terms its articles, its assets will be transferred to Saint Joseph's University.

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

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING THE UNDERTAKING OF A PROJECT ON BEHALF OF
SAINT JOSEPH'S UNIVERSITY**

DOCKET NO. 664

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Pennsylvania Higher Educational Facilities Authority (the "Authority") shall undertake a project (the "Project") on behalf of Saint Joseph's University (the "Borrower") generally anticipated to consist of: (i) the refunding of the indebtedness represented by the Philadelphia Authority for Industrial Development Revenue Bonds (Fortier II, LLC Project) Series of 2014 (the "2014 Bond"), initially used to refinance two student residence halls and associated grade level parking located on the Borrower's campus, assumed in connection with the termination of certain leases between Fortier II, LLC and the Borrower and the automatic reversion of such improvements to the Borrower; and (ii) the payment of certain costs of issuing the Bonds (as defined below).

2. In order to finance the Project, the Authority will enter into a Bond Purchase and Loan Agreement or other financing agreement with respect to the Bonds (the "Financing Agreement") among the Authority, the Borrower and TD Bank, N.A. or such other purchaser as selected by the Borrower and approved by the Executive Director, such approval to be evidenced by his execution of the Financing Agreement (the "Bond Purchaser"), pursuant to which the Authority shall issue its revenue bond or bonds to be designated "Pennsylvania Higher Educational Facilities Authority, Saint Joseph's University Revenue Bonds, Series 2016" with the appropriate alphabetical series designation, if applicable (the "Bonds") in one or more series in an aggregate principal amount up to \$23,000,000 (exclusive of any original issue premium or discount). The Bonds shall have a term not to exceed 16 years and shall bear interest at a fixed rate for seven years, subject to adjustment thereafter as provided in the Financing Agreement and shall be subject to redemption and purchase, as applicable, all as approved by the Executive Director of the Authority in consultation with the Borrower and further provided in the Financing Agreement.

The Bonds shall be issued in such form and under such terms as shall be set forth in the Financing Agreement and approved by the Executive Director. The execution of the Bonds with the manual or facsimile signature of the President of the Authority or other authorized officer together with a manual or facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority is hereby authorized. The Executive Director of the Authority is hereby authorized and directed to deliver the Bonds to or upon the order of the Bond Purchaser under the Financing Agreement against receipt of the purchase price together with any accrued interest, all in accordance with the requirements of the Financing Agreement.

3. The proceeds from the sale of the Bonds shall be loaned to the Borrower pursuant to the terms of the Financing Agreement, and shall be applied by the Borrower for

and towards the costs of the Project, including the payment of all or a portion of the costs of issuance of the Bonds, including without limitation, printing and reproduction costs, fees and expenses of bond counsel and the Bond Purchaser, rating agency fees (if applicable), and administrative costs and expenses of the Authority, all upon submission of the proper documentation thereof.

4. The Authority does hereby authorize the execution and delivery of any documents to which the Authority is a party and which are required to be executed and delivered in connection with the financing of the Project and the issuance of the Bonds authorized hereunder, including but not limited to, the Financing Agreement, provided that all such documents shall be in such form as shall be acceptable to Bond Counsel, the Office of General Counsel, the Attorney General of the Commonwealth and Authority Counsel and as shall be approved by the Executive Director of the Authority.

5. The President, any Vice President or the Executive Director of the Authority shall be, and each of them is hereby, authorized and directed to execute, acknowledge and deliver in the name of and on behalf of the Authority, and, if required, the Secretary or Assistant Secretary of the Authority shall be and each of them is hereby authorized and directed to attest and affix the official seal of the Authority to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of the forms of said documents.

6. The appropriate officers of the Authority, including the President, the Vice President and the Executive Director (or any Assistant Executive Director) are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any financing agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the Borrower and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment, and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and (ii) the Amendment will not adversely affect the excludability from gross income of interest on the Bonds for purposes of federal income taxation.

7. The appropriate officers of the Authority are hereby authorized to take such further action and to execute any and all other documents and certificates, in addition to those specified above, as shall be required in connection with the issuance of the Bonds and the implementation of these resolutions.

Upon **MOTION** by **Mr. Helling**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of July 14, 2016.

EXHIBIT A

SAINT JOSEPH'S UNIVERSITY

SERIES 2016

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
664	Philadelphia	(i) the refunding of the indebtedness represented by the Philadelphia Authority for Industrial Development Revenue Bonds (Fortier II, LLC Project) Series of 2014 (the "2014 Bond"), initially used to refinance two student residence halls and associated grade level parking located on the Borrower's campus, assumed in connection with the termination of certain leases between Fortier II, LLC and the Borrower and the automatic reversion of such improvements to the Borrower; and (ii) the payment of certain costs of issuing the Bonds	\$23,000,000

Term: Not more than 16 years.

Rate: Fixed rate for seven years, subject to adjustment thereafter as provided in the Financing Agreement; initial fixed rate to be determined at closing.

Expected Rating: Not Applicable.

Bond Purchaser: TD Bank, N.A., or another purchaser or purchasers as determined by the Borrower in consultation with the Executive Director.

Financial Advisor: RBC Capital Markets, LLC

Bond Counsel: After completing an RFP and at the request of the Borrower, the Office of General Counsel has appointed Ballard Spahr LLP as Bond Counsel.

Minority, Veteran and/or female participation in this issue: To be determined by the Borrower in consultation with the Executive Director of the Authority.

Approved at the PHEFA Board meeting of July 14, 2016.

3. APPROVAL OF PROJECTS (CONTINUED).

B. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education.

Mr. Baccon explained that the State System of Higher Education has requested that we issue a maximum of \$348,260,000 in Revenue Bonds expected to finance academic renovations at Bloomsburg and Slippery Rock Universities, auxiliary renovations and construction at Bloomsburg and Indiana Universities, and technology infrastructure replacement at Slippery Rock University. The SSHE will also undertake the purchase of on-campus housing at Edinboro, Lock Haven and Mansfield Universities. The revenue bonds originally issued to build the housing will be refunded and this may also include the termination of a Swap for the Lock Haven financing.

The underwriting for the Bonds will be put out for public bid and the Bank of New York Mellon Trust Company will serve as Trustee for this issue. After completing an RFP and at the request of the System, the Office of General Counsel has appointed Ballard Spahr and Turner Law as Co-Bond Counsel.

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

Joel Snavelly, Treasury Manager of the System, is here to answer questions. Teri Guarnacci of Ballard Spahr and Dan Turner of Turner Law are participating by conference call.

Chairperson Heuer asked if board members had any questions or comments about the project.

Mr. Craig asked for an explanation of the portions of the transaction involving Edinboro, Lock Haven and Mansfield Universities purchasing of the on campus housing. He asked if they are corporate affiliates of the Universities.

Mr. Snavelly answered that they are affiliates of the universities. Two are foundations and one is an ancillary axillary corporation assigned to build student housing along with some other activity related to supporting the university.

Mr. Craig asked if the universities controlled these affiliates.

Mr. Snavelly explained that the affiliates have their own boards. They are affiliated with the universities and are annually certified by the universities that they continue to act in the best interest of the university. It is not a direct control but they have a close working relationship.

Mr. Craig asked if the original debt incurred by the affiliate was issued by the Authority.

Mr. Snavelly believed that some of the financings were done through the Authority but he was not involved with those transactions.

Mr. Baccon said that Lock Haven did their financing through us and Ms. Nawa stated that Mansfield went through a local authority.

Mr. Snavelly said that the universities are buying the project. The universities are buying the outstanding debt.

Mr. Craig said that they are buying for the current amount of debt that is outstanding. In other words, they are not paying twice for the same project.

Secretary Topper asked why the universities are purchasing the student housing from their affiliated organizations now.

Mr. Snavelly indicated that they have had some time and experience with the operations with these projects. The universities have a better understanding of the operations and it makes sense financially. There will be debt service savings as well as operational savings. Those savings will be passed along to the students in the form of steady rents or reduced rents or scholarships. He explained that it was a model that worked for them 15 years ago.

Secretary Topper asked what changed.

Mr. Snavelly answered that at the time it was faster, better and cheaper for them to do it this way. Now they have experience and time working with them and it makes financial sense.

Ms. Pike-Nase asked if they can attract more students with better housing.

Mr. Snavelly said that the affiliates did market studies with existing students to see what they wanted. They studied whether it was better to put \$1.5 million into renovations to coming up with the same type of housing configuration. They found out that students wanted something different.

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

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF THE
STATE SYSTEM OF HIGHER EDUCATION**

DOCKET NO. 665

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Pennsylvania Higher Educational Facilities Authority (the "Authority") shall undertake the financing of a project (the "Project") on behalf of the State System of Higher Education (the "System" or "SSHE") consisting of (i) construction and renovation of auxiliary facilities at Bloomsburg and Indiana Universities of Pennsylvania; (ii) purchase of on-campus student housing from Edinboro University Foundation, at Edinboro University of Pennsylvania; (iii) purchase of on-campus student housing from Lock Haven University Foundation, at Lock Haven University of Pennsylvania; (iv) purchase of on-campus student housing from Mansfield Auxiliary Corporation, at Mansfield University of Pennsylvania; (v) construction and renovation of academic facilities at Bloomsburg and Slippery Rock Universities of Pennsylvania; (vi) replacement of technology infrastructure at Slippery Rock University of Pennsylvania; and (vii) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds; provided, however, that the Executive Director of the Authority, at the request of the System, shall have the power to add, delete or substitute for any component of the Project but only to the extent permitted by the Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, and the Federal income tax laws from time to time in effect.

2. In order to finance the Project, the Authority will enter into one or more supplements to its existing Trust Indenture dated as of June 1, 1985, as supplemented (the "Indenture") with The Bank of New York Mellon Trust Company, N.A. (successor trustee to Mellon Bank, N.A., Chase Manhattan Trust Company, National Association, and J.P. Morgan Trust Company, National Association) (the "Trustee") and shall issue up to \$348,260,000 in aggregate principal amount of taxable or tax-exempt bonds in one or more series (which may be issued on the same or different dates) to be designated "Pennsylvania Higher Educational Facilities Authority State System of Higher Education Revenue Bonds, Series of 2016" with an appropriate alphabetical series designation, commencing with the letter "AT" (or a similar designation) (the "Bonds"). The Bonds shall have a term not to exceed 30 years and shall bear interest at a fixed or variable rate acceptable to the proper officers of the System, shall mature in such principal amounts and at such times, and shall be subject to redemption, all as approved by the Executive Director in consultation with the System and as further provided in the proposal or other purchase agreement hereinafter defined and described.

In the event the System requests that the Bonds of any series bear interest at a variable rate rather than a fixed-rate, the Executive Director is hereby authorized to approve

the initial interest rate to be borne by such Bonds and the variable interest rate formula, if any, to be used in determining interest due on the Bonds thereafter, and to appoint an indexing agent and/or remarketing agent and to take such other action as may be required in connection with a variable interest rate.

The Bonds shall be limited obligations of the Authority, payable only from payments made by the System under the Loan Agreement (defined herein). The Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the supplement to the Indenture used in connection with the issuance of the Bonds (the "Supplemental Indenture") and approved by the Executive Director. The execution of the Bonds with the manual or facsimile signature of the President of the Authority together with the official seal or a facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary is hereby authorized. The Executive Director is hereby authorized to deliver the Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the Bonds when so authenticated, on behalf of the Authority, to or upon the order of the purchaser thereof against receipt of the purchase price together with any accrued interest, all in accordance with the requirements of the Indenture and/or any supplement thereto.

3. The proceeds from the sale of the Bonds shall be loaned to the System pursuant to the terms of one or more supplements to the Loan and Security Agreement between the Authority and the System dated as of June 1, 1985, as supplemented (the "Loan Agreement"), and shall be applied by the System for and toward the costs of the Project including (a) the payment of all or a portion of the costs of issuance of the Bonds, including without limitation, printing and reproduction costs, fees and expenses of bond counsel, the underwriter and the financial advisor of the System, fees and expenses of the Trustee, and administrative costs and expenses of the System and the Authority, all upon submission of the proper documentation thereof; (b) payment of the premium for a policy of municipal bond insurance, or other credit enhancement or liquidity enhancement, if determined to be advantageous by the proper officers of the System; and (c) the funding of any required reserve fund and other funds established under the Indenture and the Supplemental Indenture.

4. The Executive Director in connection with the sale of any or all of the Bonds is hereby authorized and directed to advertise publicly for, or to solicit from and negotiate with the prospective purchaser or purchasers of the Bonds, proposals for the purchase of the Bonds and to sell and award the Bonds, or any part thereof, to the purchaser or purchasers offering to purchase the Bonds at a purchase price representing the lowest true interest cost to the Authority if the Bonds are sold at public sale or on such terms and conditions as are approved by the Executive Director with the approval of the proper officers of the System if the Bonds are sold in a private sale. The bid specifications in the Public Invitation for Proposals shall specify that the successful underwriting syndicate must include minority or veteran or female participation at the co-manager level. The President, any Vice President, the Executive Director is hereby authorized and directed to deliver the Bonds to the

purchaser or purchasers thereof, determined as provided above, and to execute and deliver all documents in connection therewith.

5. The form of Official Invitation for Proposals and the form of Proposal, all with respect to the offering for sale of the Bonds, in the forms approved by the Executive Director with the advice of bond counsel and Authority counsel, is hereby authorized and approved. The Executive Director is hereby authorized and directed to distribute such forms of Official Invitation for Proposals and Proposal among and to prospective purchasers of the Bonds.

6. The President, any Vice President or the Executive Director is hereby authorized, upon receipt of an acceptable Proposal for the purchase of any Series of the Bonds issued hereunder, or upon the private sale of the Bonds by negotiation, to enter into one or more purchase agreements for such purpose in accordance with the terms of this resolution and the President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director is hereby authorized to execute and deliver the particular purchase agreement or agreements on behalf of the Authority and to take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

7. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of Bonds of any series authorized hereunder and the financing of the Project: any supplement to the Indenture and the Loan Agreement; any remarketing agreement and/or indexing agent agreement if any series of Bonds shall bear interest at a variable rate; any insurance agreement (under which the System shall be the obligor) or other agreement that may be required by the issuer of any municipal bond insurance policy or other credit enhancement for the Bonds, and any other document to which the Authority is a party and which is required in connection with the financing of the Project; all in such form as shall be acceptable to bond counsel, the Office of General Counsel, the Attorney General of the Commonwealth and Authority Counsel and as shall be approved by the Executive Director.

8. The President, any Vice President or the Executive Director shall be, and each of them is hereby authorized to execute, acknowledge and deliver in the name of and on behalf of the Authority, and the Secretary or Assistant Secretary and each of them is hereby authorized to attest and affix the official seal of the Authority to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of said documents.

9. Any preliminary official statement and/or final official statement which may be used in connection with the offer and sale of the Bonds shall be in such form as shall be approved solely as to distribution by the Executive Director with the advice of bond counsel. The Executive Director is hereby authorized to execute any such preliminary official statement and/or final official statement in the name of and on behalf of the Authority, and such execution by the Executive Director shall constitute conclusive evidence of the Authority's approval solely as to and for purposes of distribution of such

documents. The circulation and distribution of copies of any such documents in connection with the placement or offering of the Bonds is hereby authorized.

10. The Bank of New York Mellon Trust Company, N.A. as successor Trustee to J.P. Morgan Trust Company, National Association, Pittsburgh, PA, as successor Trustee to Chase Manhattan Trust Company, National Association, and as successor trustee to Mellon Bank, N.A., shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. After completing an RFP and at the request of the System, the Office of General Counsel has appointed Ballard Spahr, LLP as the Bond Counsel for this issue.

11. The appropriate officers of the Authority are hereby authorized to take such further action and to execute and deliver in the name and on behalf of the Authority any and all other documents and certificates, in addition to those specified above, as they shall deem necessary or advisable in connection with the issuance of the Bonds and the implementation of this Resolution.

12. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of such Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture, all subject to the terms and limitations contained in the Indenture.

13. The appropriate officers of the Authority are, and each of them is, hereby authorized to execute and deliver in the name and on behalf of the Authority such other documents and to take such other action as they shall deem necessary in order to effectuate the financing of the Project, the execution, delivery and receipt of the Indenture and the Loan Agreement, the distribution of a preliminary official statement and/or final official statement and the issuance and sale of the Bonds, all in accordance with these Resolutions.

14. The appropriate officers of the Authority, including the President, any Vice President, and the Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the System and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and (ii) the Amendment will not adversely affect the excludability from gross income of interest on any tax-exempt Bonds for purposes of federal income taxation.

15. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Helling**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of July 14, 2016.

EXHIBIT A

STATE SYSTEM OF HIGHER EDUCATION

SERIES AT OF 2016

<u>Docket No.</u>	<u>Counties</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
665	Various	(i) construction and renovation of auxiliary facilities at Bloomsburg and Indiana Universities of Pennsylvania; (ii) purchase of on-campus student housing from Edinboro University Foundation, at Edinboro University of Pennsylvania; (iii) purchase of on-campus student housing from Lock Haven University Foundation, at Lock Haven University of Pennsylvania; (iv) purchase of on-campus student housing from Mansfield Auxiliary Corporation, at Mansfield University of Pennsylvania; (v) construction and renovation of academic facilities at Bloomsburg and Slippery Rock Universities of Pennsylvania; (vi) replacement of technology infrastructure at Slippery Rock University of Pennsylvania; and (vii) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds;	\$348,260,000

Term: Up to 30 years.

Rate: Variable or Fixed.

Rating/Insurance: Prior to the issuance, a determination will be made whether to obtain bond insurance. The System is rated Aa3 by Moody's and AA by Fitch.

Underwriter: To be determined by Competitive Bid.

Bond Counsel: After completing an RFP and at the request of the System, Ballard Spahr, LLP and Turner Law P.C. have been appointed Co-Bond Counsel by the Office of General Counsel.

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

Minority or Veteran or Female Participation in this Financing: Bid specifications will be written to specify that the successful underwriting syndication must include minority or veteran or female participation at the co-manager level. McElwee & Quinn, a female-owned firm will serve as Printer.

Approved at the PHEFA Board Meeting of July 14, 2016.

APPROVAL OF PROJECTS (CONTINUED).

C. Resolution Authorizing the Undertaking of a Project on Behalf of Mount Aloysius College.

Mr. Baccon explained that the Association of Independent Colleges and Universities of Pennsylvania, on behalf of Mount Aloysius College, has requested that we issue a maximum of \$14,000,000 in revenue bonds to finance the substantial renovations of and an addition to the College's Science Building, along with miscellaneous capital expenditures.

George K. Baum & Company will serve as the managing underwriter and after completing an RFP and at the request of the College, the Office of General Counsel has appointed Ballard Spahr and Turner Law as Co-Bond Counsel.

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

Linda Eremita, from George K. Baum & Company Barbara Beckman, from Ballard Spahr are participating by conference call to answer questions.

Chairperson Heuer asked if board members had any questions or comments about the project.

Ms. Pike-Nase asked representatives to explain the renovations that were going to be made to the Science Building.

Ms. Eremita explained that there will be substantial renovations and a two story addition to the Science Building. That will be used for health related programs, which is one of the niches of the College.

Chairperson Heuer asked if there were any other questions, and hearing none, he asked for a motion to approve the resolution.

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING THE UNDERTAKING OF A PROJECT ON BEHALF OF
MOUNT ALOYSIUS COLLEGE**

DOCKET NO. 666

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Pennsylvania Higher Educational Facilities Authority (the “Authority”) shall undertake a project (the “Project”) on behalf of Mount Aloysius College (the “College”) generally anticipated to consist of: (i) substantial renovations of and an addition to the College’s Science Building; (ii) miscellaneous capital expenditures; and (iii) the payment of certain costs of issuing the Bonds.

2. In order to finance the Project, the Authority will enter into a Trust Indenture (the “Indenture”) with The Bank of New York Mellon Trust Company, N.A., as trustee, or such other trustee (the “Trustee”) as appointed by the College and approved by the Executive Director of the Authority, such approval to be evidenced by his execution of the Indenture, pursuant to which the Authority shall issue up to \$14,000,000 (exclusive of any original issue discount) in aggregate principal amount of bonds to be in one or more series to be designated “Pennsylvania Higher Educational Facilities Authority Revenue Bonds (AICUP Financing Program - Mount Aloysius College Project), Series 2016 O4” (or any such other designation as may be approved by the Executive Director of the Authority) (the “Bonds”). The Bonds shall have a term not to exceed 31 years and shall bear interest at a rate or rates, shall mature in such principal amounts and at such times, and shall be subject to redemption and purchase, as applicable, all as approved by the Executive Director of the Authority in consultation with the College and further provided in the Indenture.

The Bonds shall be issued in such denominations and form and under such terms as shall be set forth in the Indenture used in connection with the issuance of the Bonds and approved by the Executive Director of the Authority. The execution of the Bonds with the manual or facsimile signature of the President of the Authority or other authorized officer together with a manual or facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority is hereby authorized. The Executive Director of the Authority is hereby authorized and directed to deliver the Bonds to the Trustee under the Indenture for authentication and to execute and deliver instructions to the Trustee to deliver the Bonds when so authenticated, on behalf of the Authority, to or upon the order of the purchaser thereof against receipt of the purchase price together with any accrued interest, all in accordance with the requirements of the Indenture and or any supplement thereto.

3. The proceeds from the sale of the Bonds shall be loaned to the College pursuant to the terms of a Loan Agreement between the College and the Authority (the “Loan Agreement”), and shall be applied by the College for and towards the costs of the Project,

including (a) the payment of all or a portion of the costs of issuance of the Bonds, including without limitation, printing and reproduction costs, fees and expenses of bond counsel, rating agency fees, fees and expenses of the Trustee, and administrative costs and expenses of the Authority, all upon submission of the proper documentation thereof, (b) the payment of, if applicable, insurance premiums, letter of credit fees relating to the Bonds or other credit enhancement and/or liquidity fees, and (c) the funding of reserve funds, if any, or other funds established under the Indenture.

4. The President, any Vice President or the Executive Director of the Authority is hereby authorized to negotiate with the underwriter hereinafter appointed for an acceptable proposal for the purchase of the Bonds issued hereunder, to enter into a purchase agreement (the "Bond Purchase Agreement") for such purpose in accordance with the terms of this resolution and the President, any Vice President or the Executive Director is hereby authorized to execute and deliver such Bond Purchase Agreement on behalf of the Authority and to take such further action as may be required or proper to carry out the obligations of the Authority thereunder.

5. The Authority does hereby authorize the execution and delivery of any documents to which the Authority is a party and which are required to be executed and delivered in connection with the financing of the Project and the issuance of the Bonds authorized hereunder, including but not limited to, the Indenture, the Loan Agreement and the Bond Purchase Agreement, provided that all such documents shall be in such form as shall be acceptable to Bond Counsel, the Office of General Counsel, the Attorney General of the Commonwealth and Authority Counsel and as shall be approved by the Executive Director of the Authority.

6. The President, any Vice President or the Executive Director of the Authority shall be, and each of them is hereby, authorized and directed to execute, acknowledge and deliver in the name of and on behalf of the Authority, and, if required, the Secretary or Assistant Secretary of the Authority shall be and each of them is hereby authorized and directed to attest and affix the official seal of the Authority to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of the forms of said documents.

7. The form of any preliminary official statement and/or final official statement which may be used in connection with the sale and issuance of the Bonds shall be approved by the Executive Director of the Authority with the advice of Bond Counsel and Authority Counsel. The Executive Director of the Authority shall be and hereby is authorized and directed to deem any such preliminary official statements or official statements final within the meaning of Securities and Exchange Rule 15c2-12 and to execute any such final official statements and such execution by the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval, solely as to and for purposes of distribution, of the form of such document. The Authority is hereby authorized to circulate and distribute copies of any such documents in connection with the offering of the Bonds.

8. The appropriate officers of the Authority, including the President, the Vice President and the Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument, preliminary official statement or official statement or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the College and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment, and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and (ii) the Amendment will not adversely affect the excludability from gross income of interest on the Bonds for purposes of federal income taxation.

9. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of such Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by such

10. Indenture, all subject to the terms and limitations contained in the Indenture. The appropriate officers of the Authority are hereby authorized to take such further action and to execute any and all other documents and certificates, in addition to those specified above, as shall be required in connection with the issuance of the Bonds and the implementation of these resolutions.

Upon **MOTION** by **Ms. Pike Nase**, and **SECONDED** by **Secretary Topper**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of July 14, 2016.

EXHIBIT A

MOUNT ALOYSIUS COLLEGE

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
666	Cambria	(i) substantial renovations of and an addition to the College's Science Building; (ii) miscellaneous capital expenditures; and (iii) the payment of certain costs of issuing the Bonds.	\$14,000,000

Term: Not more than 31 years.

Rate: Fixed Rate not to exceed 5.0%.

Expected Rating: "A" by Standard & Poor's Ratings Services.

Underwriter: George K. Baum & Company.

Bond Counsel: After completing an RFP and at the request of the College, the Office of General Counsel has appointed Ballard Spahr LLP and Turner Law, P.C. as Co-Bond Counsel.

Trustee: The Bank of New York Mellon Trust Company, N.A., or another trustee as determined by the College in consultation with the Executive Director.

Minority and/or female participation in this issue: Turner Law, P.C. will serve as Co-Bond Counsel and McElwee & Quinn will serve as the financial printer.

Approved at the PHEFA Board meeting of July 14, 2016.

4. OLD BUSINESS.

Chairperson Heuer asked if there was any old business to come before the Board.

Ms. Pike-Nase asked Mr. Baccon for a project update.

Mr. Baccon told the board that we are aware of two issues under SPSBA that have been refunded away from us. They are the A.W. Beattie Career Center and the Lehigh Carbon Community College. There are none under PHEFA.

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

5. NEW BUSINESS.

Mr. Baccon also explained that on Tuesday, we were contacted by the University of Pennsylvania Health System for a refunding that could be between \$135 million to \$178 million. They are very aggressive on their timing schedule. They sent an RFP out and have a short turnaround time because they would like to have a POS on the street by August 2nd. Because of this, we are planning a meeting of this board on July 28th. He had an inquiry as to why such a short turnaround for the RFP. As he explained to the person who inquired, the University was in charge of the sending of the RFP and to accommodate the timeframe of everything that must happen the RFP had to have a short turnaround time.

Secretary Topper asked how long the RFP was open.

Mr. Baccon said that it went out yesterday (July 13th) and it is due on the 19th.

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

6. ADJOURNMENT.

There being no further business to come before the Board at this time, upon **MOTION** by **Mr. Helling**, and **SECONDED** by **Secretary Topper**, the PHEFA Board Meeting was adjourned at 10:52 a.m.

SUNSHINE ACT MEETING NOTICES THURSDAY, JUNE 30, 2016

SUNSHINE ACT MEETING NOTICES

Thursday, June 30, 2016

If you need an accommodation due to a disability,

please contact the ADA Contact name listed below.

Department of General Services, Joint Committee on Documents Meeting, 7/6/2016, 11 AM, Room 461 Main Capitol Bldg., HBG., Contact: Leah Brown 783-1530

Special, Sheriff and Deputy Sheriff Education and Training Board Meeting, 7/7/2016, 10 AM, PCCD Office Building, 3101 North Front St., Commission Room West, HBG., Contact: Luanne Melia 265-8497

Pennsylvania State Board of Education, 7/13/2016, 10 AM, Harristown II, 333 Market St., HBG., Contact: Ann Swajkowski 787-4431, 10 AM, Heritage A, Lobby Level - Ad Hoc Committee on Private School Accreditation; 11 AM, Heritage B, Lobby Level - School and University Safety Committee 1 PM., Honors Suite 1st Floor - Council of Higher Education/ Council of Basic Education Meeting; Immediately following is the State Board for Vocational Education/State Board of Education Meeting.

Special, State Public School Building Authority and PA Higher Educational Facilities Authority Meetings, 7/14/2016, 10:30 AM, Room 515, North Office Bldg., HBG., Contact: Bev Nawa 975-220

State Civil Service Comm. Hearing, 7/18/2016, 10 AM, 7/21/2016, 9:30 AM, 7/25/2016, 10 AM, 7/26/2016, 10 AM, 7/27/2016, 9:30 AM, 7/28/2016, 9:30 AM, 4th Floor Hearing Room, HBG., State Civil Service Comm. Meeting, 7/20/2016, 10:30 AM, 4th Floor Public Meeting Room, 320 Market St., HBG. Contact: Bernadette Hatok 787-6976

Managed Long-Term Services and Supports Subcommittee Meetings, 9/7/2016, 10AM - 1PM, PA Dept. of Education, Honors Suite, 1st Fl., 333 Market St. Tower, HBG., Contact: Marilyn Yocum 772-2549, Add'l meetings scheduled: 10/3/2016, 11/7/2016, and 12/9/2016, same time and location.

Appeared in: ***Patriot-News*** on Thursday, 06/30/2016

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
July 14, 2016

Notice was in letterform, as follows:

This letter advises that a meeting of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, July 14, 2016**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) approving certain projects for financing; and, (b) consideration of such other matters as may properly come before the Board.

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

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

Sincerely,

/s/ Robert Baccon

Robert Baccon
Executive Director

Enclosures

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Harrisburg, PA

I CERTIFY that the notice on the previous page for the July 14, 2016, meetings was dispatched to the following on June 24, 2016, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority.

Thomas W. Wolf, Governor of Pennsylvania
225 Main Capitol Building, Harrisburg, PA
Steven S. Heuer, Proxy for Governor Wolf
333 Market Street – 18th Floor, Harrisburg, PA
Lloyd K. Smucker, Designated by the President Pro Tempore of the Senate
351 Main Capitol Building, Harrisburg, PA
Andrew E. Dinniman, Designated by the Minority Leader of the Senate
182 Main Capitol Building, Harrisburg, PA
Stanley E. Saylor, Designated by the Speaker of the House of Representatives
105 Ryan Office Building, Harrisburg, PA
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives
115 Irvis Office Building, Harrisburg, PA
Timothy A. Reese, State Treasurer
129 Finance Building, Harrisburg, PA
Eugene A. DePasquale, Auditor General
229 Finance Building, Harrisburg, PA
Curtis M. Topper, Secretary of General Services
515 North Office Building, Harrisburg, PA
Pedro A. Rivera, Secretary of Education
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 24th day of June 2016.

/s/ Robert Baccon

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