

# Official Invitation for Proposals

For the Purchase of

**\$89,990,000\***

**PENNSYLVANIA HIGHER EDUCATIONAL  
FACILITIES AUTHORITY  
(Commonwealth of Pennsylvania)  
Revenue and Refunding Revenue Bonds  
STATE SYSTEM OF HIGHER EDUCATION, SERIES AW**

Electronically submitted proposals will be received by the Pennsylvania Higher Educational Facilities Authority (herein referred to as the "Authority"), up to 1:00 p.m., Prevailing Local Time, on

**August 22, 2019**

for the purchase of \$89,990,000\* aggregate principal amount of the Authority's Revenue and Refunding Revenue Bonds, State System of Higher Education, Series AW (the "Series AW Bonds"). Such electronic proposals will be made as described under "**Electronic Bids**" herein and reviewed by the Authority immediately thereafter.

**No bid for the Series AW Bonds will be considered unless the underwriting group submitting such bid includes as a co-manager at least one Minority, Veteran or Female Business Enterprise, which shall be identified by the successful bidder prior to the award of the Series AW Bonds, as described under "ACCEPTANCE OF PROPOSALS" herein. Any determination of whether any firm so identified is in fact a Minority, Veteran or Female Business Enterprise will be made by the Authority and will be conclusive. Sealed bids and faxed bids will not be accepted by the Authority.**

The Authority and the State System of Higher Education (the "System" or "PASSHE"), individually and jointly, reserve the right to reject any and all bids and to waive any irregularity or obvious error in any bid. No bid may be withdrawn after the 1:00 p.m. deadline for the submission of bids. The award of the Series AW Bonds or the rejection of all bids will occur within five (5) hours after that time. **The Authority and the System reserve the right to extend any date and/or time fixed for the receipt of bids by giving notice, through The Bond Buyer Wire and Bloomberg Business News (the "News Services"), of the new date and time so fixed, which notice shall be given at least twenty-four (24) hours prior to such new date and time.** If all bids are rejected, the Authority and the System may fix a new date and time for the receipt of bids for the Series AW Bonds by giving notice in the same manner at least twenty-four (24) hours prior to such new date and time. Any notice specifying a new date and/or time for the receipt of bids, following the rejection of all bids received or otherwise, shall be considered a supplement to this Invitation.

The Series AW Bonds are being issued pursuant to Act No. 318 of the General Assembly of the Commonwealth of Pennsylvania, approved December 6, 1967, as amended, known as the Pennsylvania Higher Educational Facilities Authority Act (the "Act") to finance: (i) the replacement of HVAC equipment in the Kehr Union Building at Bloomsburg University of Pennsylvania; (ii) the reimbursement of the costs of acquisition at West Chester University of Pennsylvania of three parking garages from the Borough of

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\* Preliminary, subject to change. See "Adjustment of Principal Amounts" herein.

West Chester; (iii) the refunding of a portion of the Authority's State System of Higher Education Revenue Bonds, Series AJ of 2009; (iv) the refunding of a portion of the Authority's State System of Higher Education Revenue Bonds, Series AK of 2009; and (v) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds.

Due to the importance which the Authority and the System attach to the requirement that each underwriting group submitting a bid on their bond issues has as a co-manager at least one Minority Business Enterprise, each potential bidder is requested to submit the following form prior to the deadline for the submission of bids to the attention of Michael R. Baird at telecopy number (866) 898-3791.

Terms used herein but not otherwise defined herein shall have the meaning given thereto in the Official Statement (defined hereinafter).

### **BOND DETAILS**

The Series AW Bonds will be dated the date of delivery thereof and will bear such rate or rates of interest, payable semiannually on June 15 and December 15 in each year, commencing December 15, 2019, as shall be fixed by the purchaser in its proposals for the purchase of the Series AW Bonds. The Series AW Bonds shall mature serially on June 15 of the years and in the amounts set forth in the following table. The Series AW Bonds will be issued in book-entry only form. See "**Book-Entry Only System**" herein.

**Maturity Schedule \***

<u>Maturity (June 15)</u>	<u>Principal</u>
2020	\$ 395,000
2021	6,950,000
2022	8,560,000
2023	9,120,000
2024	17,445,000
2025	5,270,000
2026	5,535,000
2027	5,805,000
2028	6,105,000
2029	6,410,000
2030	1,990,000
2031	2,080,000
2032	2,160,000
2033	2,220,000
2034	2,290,000
2035	790,000
2036	815,000
2037	845,000
2038	870,000
2039	900,000
2040	640,000
2041	665,000
2042	685,000
2043	710,000
2044	735,000

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\* Preliminary, subject to change.

At the option of the successful bidder of the Series AW Bonds, consecutively maturing serial Series AW Bonds (which may include a year in which the maturing principal is currently estimated to be zero) bearing the same rate of interest may be converted to a term Bond of the Series AW Bonds maturing in the final year of such Series ("Term Bond") in the manner described herein under the caption "**Redemption: Mandatory Redemption**", subject to all terms and conditions set forth in the Indenture. **Within 24 hours of the award of the Series AW Bonds by the Authority, the successful bidder will be required to notify the Authority in writing as to which Series AW Bonds are to be converted to a Term Bonds if any such Series AW Bonds are to be so converted.**

### **Adjustment of Principal Amounts**

**The Authority and the System severally reserve the right to modify or amend this Official Invitation for Proposals, prior to the bid date, including to change the scheduled maturities or to increase or reduce the aggregate principal amount of the Series AW Bonds and the principal amount of any maturity offered for sale. If any such modification or amendment occurs, supplemental information with respect to the Series AW Bonds will be communicated via TM3 ([www.tm3.com](http://www.tm3.com)) not later than 5:00 p.m., EDT or prevailing Harrisburg, Pennsylvania time, on the day preceding the day on which proposals may be submitted, and bidders shall bid upon the Series AW Bonds based upon the terms thereof set forth in this Official Invitation for Proposals as so modified or amended by such supplemental information. If any prospective bidder does not subscribe to TM3, please call RBC Capital Markets, LLC, Michael R. Baird, at 410-625-6103 and arrangements will be made to notify such prospective bidder of any modification or amendment to this Official Invitation for Proposals prior to 5:00 p.m., EDT or prevailing Harrisburg, Pennsylvania time, on the day preceding the day on which proposals may be submitted.**

The aggregate principal amount and the principal amount of each serial maturity of the Series AW Bonds are also subject to adjustment by the Authority after the opening of the electronic bids submitted for their purchase. Changes to be made will be communicated to the successful bidder not later than five (5) hours after the bids have been opened and will be made only as necessary to comply with the requirements of federal tax law necessary to maintain the exemption from federal income tax of the interest payable thereon and in no case will reduce or increase the aggregate principal amount of the Series AW Bonds by more than 10 percent from the amount bid upon. The underwriting spread bid by the successful bidder (defined as the amount equal to the difference between the purchase price bid for the Series AW Bonds and the aggregate reoffering price to the public of the Series AW Bonds) will be adjusted proportionally to reflect any reduction or increase in the aggregate principal amount of the Series AW Bonds, but the interest rates and reoffering prices specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes within these limits.

### **MUNICIPAL BOND INSURANCE**

Bidders may opt to purchase, at their sole expense, if the Series AW Bonds so qualify, a municipal bond insurance policy selected by the Authority, and under which the System shall be the obligor to the insurer, to insure payment of the principal of and interest on all, or a portion of, the Series AW Bonds when due. Neither failure of the Series AW Bonds to qualify for or failure of the provider to issue such insurance policy shall relieve the successful bidder of its obligation to purchase the Series AW Bonds.

## REDEMPTION

The Series AW Bonds are subject to redemption as follows:

**Optional Redemption.** The Series AW Bonds maturing on and after June 15, 2030 are subject to optional redemption prior to maturity by the Authority at the written direction of the System in whole at any time or in part from time to time, on and after June 15, 2029, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest thereon to the date of redemption. Any partial redemption may be in any order of maturity and in any principal amount within a maturity as designated by the System by lot within a maturity. In the case of any Series AW Bond also subject to mandatory redemption, the Authority, at the direction of the System, shall be entitled to designate whether any optional redemption shall be credited against principal amounts due at maturity or against particular scheduled mandatory redemption Series AW Bonds to be redeemed within any maturity will be selected by the Trustee by lot.

**Extraordinary Optional Redemption.** The Series AW Bonds will be subject to redemption prior to maturity at the option of the Authority, at the direction of the System, in whole at any time or in part from time to time with respect to the Series AW Bonds in any order of maturity selected by the System, and within any maturity by lot, upon payment of a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption, but only in the event that all or a portion of the Projects financed or refinanced with the proceeds of the Series AW Bonds are damaged, destroyed or condemned, or sold under threat of condemnation, and it is determined that repair or reconstruction is not desirable, practical or financially feasible, from and to the extent of insurance proceeds, condemnation awards or proceeds of sale in lieu of condemnation received by the Trustee as a result of such damage, destruction, condemnation or sale under threat of condemnation.

**Mandatory Redemption.** The successful bidder for the Series AW Bonds will be given the option to convert consecutively maturing serial Series AW Bonds bearing the same rate of interest to a Term Bond of such Series maturing in the final year of such particular consecutive series. Such Term Bond shall be subject to mandatory redemption by lot, prior to maturity, at a redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption, from moneys deposited in a sinking fund established for the Series AW Bonds within the Revenue Fund established under the Indenture, such redemptions to occur according to the principal maturity schedule contained herein, in the proposal and in the Official Statement. The principal amount of the Series AW Bonds otherwise required to be redeemed may be reduced by the principal amount of Series AW Bonds previously called for extraordinary optional redemption or theretofore delivered to the Trustee by the System in lieu of cash payments under the Loan Agreement or purchased by the Trustee out of moneys in the Revenue Fund established under the Indenture and which have not theretofore been applied as a credit against any sinking fund installment.

### Notice of Redemption

Notice of redemption will be mailed to the registered owners of the Series AW Bonds not more than 45 nor less than 30 days prior to the date of redemption, by first class mail. The Trustee will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee as long as DTC acts as securities depository for the Series AW Bonds.

### BOOK-ENTRY ONLY SYSTEM

The Series AW Bonds will be issued by means of a book-entry only system with no distribution of Series AW Bond certificates made to the public. One certificate representing the aggregate principal amount

of each series of the Series AW Bonds maturing in each year will be issued and fully registered as to principal and interest in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), a Securities and Exchange Commission registered depository and a New York limited-purpose trust company. Ownership of the Series AW Bonds, in principal amounts of \$5,000 or integral multiples thereof, will be shown on, and transfers of beneficial ownership effected through, records maintained by DTC and its participants pursuant to rules and procedures established by DTC. The responsibility for maintaining, reviewing and supervising such records rests collectively with DTC and its participants. The successful bidder for the Series AW Bonds, as a condition to the delivery of such Series, shall be required to deposit the Series AW Bond certificates with DTC registered in the name of Cede & Co. Interest will be payable on each semiannual interest payment date, and principal of the Series AW Bonds will be paid annually as set forth in the foregoing maturity schedules to DTC or its nominee as registered owner of such Series. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such DTC participants and other nominees of beneficial owners. Neither the Authority nor the System will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants, or persons acting through such participants.

### **Replacement Series AW Bonds upon Termination or Failure of Book-Entry Only System**

In the event that (i) the Authority determines that DTC is incapable of discharging its duties or the interests of the Beneficial Owners or the Authority may be adversely affected if the book-entry only system of transfer is continued (the Authority undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), or (ii) the System determines, and notifies the Authority of its determination, that continuation of the book-entry only system through DTC is not in the best interests of the System, the Authority shall appropriately notify DTC and (if there is no successor depository) shall direct the Trustee to authenticate and make available for delivery replacement Series AW Bonds in the form of fully registered, physical bond certificates.

### **INTEREST RATE AND BID REQUIREMENTS**

Each bidder shall designate such rates of interest for the maturities specified herein in its proposal for the purchase of the Series AW Bonds subject to the following limitations:

- (1) No bid for the Series AW Bonds will be considered unless the underwriting group submitting such bid includes as a co-manager at least one Minority, Veteran or Female Business Enterprise, which shall be identified by the successful bidder prior to the award of the Series AW Bonds, as described under "**ACCEPTANCE OF PROPOSALS**" herein. Any determination of whether any firm so identified is in fact a Minority, Veteran or Female Business Enterprise will be made by the Authority and will be conclusive. To facilitate the determination of whether a firm is a Minority, Veteran or Female Business Enterprise, bidders are asked to identify the co-manager(s) which are Minority, Veteran or Female Business Enterprises in advance of the deadline for submission of bids by completing the form attached as Exhibit A and sending it by telecopy to the number noted thereon.
- (2) No interest rate shall be specified which is not a multiple of 1/20 or 1/8 of 1%, and a zero rate of interest may not be named;
- (3) All Series AW Bonds of the same subseries and maturing on the same date shall bear the same rate of interest;
- (4) No one Series AW Bond shall bear interest at more than one rate;
- (5) No proposal for less than all of the Series AW Bonds will be considered;

- (6) No proposal naming an aggregate bid price of less than 98.5% of the principal amount of the Series AW Bonds, will be considered;
- (7) Proposals must be made upon the prescribed form of the Bid Services (see **Electronic Bids** below), and bidders must specify a single annual interest rate for each maturity of the Series AW Bonds set forth therein. Consecutive principal maturities of the Series AW Bonds bearing the same rates of interest may be converted to a term Series AW Bond at the option of the bidder as set forth herein under the caption "**REDEMPTION - Mandatory Redemption**";
- (8) Each proposal will be required to comply with the provisions relating to a Good Faith Deposit as further set forth herein under the caption "**GOOD FAITH**"; and
- (9) Notwithstanding anything to the contrary herein, the Authority and the System, individually and jointly, reserve the right to reject any or all bids with respect to the Series AW Bonds.

### **Electronic Bids**

Solely as an accommodation to bidders, the Authority will receive bids delivered electronically through the following services (the "Bid Services"); no bid will be received in any other medium:

- Dalcomp, a division of Thomson Financial Municipals Group, Inc.  
BIDCOMP Competitive Bidding System and Parity Electronic Bid  
Submission System ("Parity")  
395 Hudson Street  
New York, NY 10014  
Phone: (212) 806-8304  
Fax: (212) 989-9281  
Internet address: <http://www.tm3.com>

If any provision of this Invitation conflicts with information provided by Parity, this Invitation shall control. Each bidder submitting an electronic bid agrees by doing so that it is solely responsible for all arrangements with (including any charges by) Parity and that Parity is not acting as agent of the Authority. Instructions for submitting electronic bids must be obtained from Parity, and the Authority does not assume any responsibility for ensuring or verifying bidder compliance with Parity's procedures. The Authority shall be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder. Acceptance of electronic bids shall be subject to the limitations set forth in "**WARNINGS REGARDING ELECTRONIC BIDS**" below.

### **Warnings Regarding Electronic Bids**

THE AUTHORITY, THE SYSTEM, THE FINANCIAL ADVISOR AND CO-BOND COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED OR RECEIVED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS. THE OFFICIAL TIME FOR RECEIPT OF BIDS WILL BE DETERMINED BY THE AUTHORITY AT THE PLACE OF BID RECEIPT, AND THE AUTHORITY SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY AS THE OFFICIAL TIME. THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR INFORMING ANY BIDDER PRIOR TO THE DEADLINE FOR RECEIVING BIDS THAT ITS BID IS INCOMPLETE OR NOT RECEIVED.

THE AUTHORITY WILL ACCEPT BIDS ONLY IN ELECTRONIC FORM AND ONLY THROUGH PARITY ON THE OFFICIAL BID FORM CREATED FOR SUCH PURPOSE. EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY, AND THAT PARITY IS NOT ACTING AS AN AGENT OF THE AUTHORITY. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM PARITY, AND THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY. THE AUTHORITY SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

### TERMS OF SALE

The Series AW Bonds will be awarded (or all bids will be rejected) within five (5) hours of the opening of the bids at 1:00 p.m., prevailing Harrisburg, Pennsylvania Time, on August 22, 2019, to the bidder for such Series submitting a proposal conforming to the terms of this Invitation and which produces the lowest true interest cost to the Authority for such Series, determined as set forth below (such bidder or, where appropriate, the representative thereof if such bidder is a syndicate, shall be sometimes referred to herein as the "successful bidder"). The proposal of such successful bidder will be accepted by the Authority and the System, as described below under "**ACCEPTANCE OF PROPOSALS**", and signed by an Authorized Officer of the Authority and an Authorized Officer of the System, subject to the individual and joint rights of the Authority and the System in their discretion to reject any and all proposals. **The true interest cost for the Series AW Bonds shall mean twice that semiannual interest rate at which the sum of the present values of scheduled principal and interest payments on such Series, as of their dated date, shall equal the amount bid for such Series, exclusive of accrued interest, if any, to the date of delivery.** For the purpose of determining the interval of time from the dated date of the Series AW Bonds and any payment date, the 30-day month, 360-day year convention shall be used. For the information of the Authority only, and not as part of its proposal, each bidder shall set forth in its proposal the true interest cost, expressed as a percentage, of its proposal for the Series AW Bonds. If two or more conforming bids are found to be the best bids, the Authority may, with the consent of such bidders, award the Series AW Bonds to them jointly or, absent such consent, may award such Series to any one of such bidders selected in any manner it deems appropriate.

### ACCEPTANCE OF PROPOSALS

The Authority and the System shall accept the proposal of the successful bidder of the Series AW Bonds as follows: Upon determining to accept the successful bidder's proposal, the Authority and the System shall contact the successful bidder by telephone and promptly thereafter shall deliver to the successful bidder, by facsimile, written notice that they accept such proposal subject to the terms and conditions of this Invitation. Following such acceptance, the successful bidder shall execute and deliver by facsimile, to the Authority and the System, of the following:

- (1) A certificate in the form attached to such written notice, executed on behalf of the successful bidder, confirming the bid submitted by such successful bidder (as set forth on the attachment described in clause (2) below). The certificate also shall identify each member of the syndicate if the successful bidder is a syndicate, **and identify the Minority, Veteran or Female Business Enterprise that is a co-manager of such syndicate;** and
- (2) A printed copy of the winning bid electronically submitted by the successful bidder, which shall be provided by the Authority and the System to the successful bidder along with the written notice



described above and shall be attached to and incorporated by reference in the certificate described in clause (1).

BIDDERS SHOULD BE AWARE THAT ANY AND ALL BIDS, ONCE SUBMITTED ELECTRONICALLY THROUGH PARITY, SHALL BE DEEMED BINDING ON SUCH BIDDER FOR ALL PURPOSES. THE CERTIFICATE DESCRIBED IN THE PREVIOUS PARAGRAPH IS ONLY A CONFIRMATION OF THE BIDDER'S BINDING ELECTRONICALLY SUBMITTED PROPOSAL.

**REOFFERING AND SALE OF SERIES AW BONDS TO PUBLIC;  
HOLD –THE-PRICE RULE MAY APPLY**

Competitive Sale Requirements Met. Each bidder for the Series AW Bonds, by the submission of a bid, agrees that if it is the successful bidder and the “competitive sale requirements” of Treasury Regulation Section 1.148(f)(3)(i) are satisfied, it will provide to the Authority, within 1 hour of the award of any such Series, the initial offering price to the public (excluding bond houses and brokers or similar persons or organizations acting in the capacity as wholesalers or underwriters) for each maturity of such Series (the "Initial Reoffering Prices") and also agrees to make a *bona fide* public offering of each maturity of such Series AW Bonds at their Initial Reoffering Price. The successful bidder will be required to deliver a certificate at or prior to settlement for such Series in substantially the form annexed hereto as Exhibit “A”.

Competitive Sale Requirements Not Met. If the competitive sale requirements are not satisfied, the Authority shall so inform the winning bidder and thereupon, if necessary to establish the Issue Price thereof, may determine to treat the Initial Reoffering Price as of the sale date of any maturity of the Series AW Bonds which does not satisfy the 10% Test<sup>1</sup> as the Issue Price of that maturity (the “hold-the-price rule”). The winning bidder shall advise the Authority of any maturity of the Series AW Bonds that satisfies the 10% Test as of the date and time of the award of the Series AW Bonds. Any maturities of the Series AW Bonds that do not meet the 10% Test shall be subject to the hold-the-price rule. Bids will not be subject to cancellation in the event that the Authority determines to apply the hold-the-price rule to any maturity of the Series AW Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Series AW Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series AW Bonds.

By submitting a bid, each bidder (i) confirms that the underwriters have offered or will offer the Series AW Bonds to the public on or before the date of award at the Initial Offering Price or Prices, or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agrees, on behalf of the underwriters participating in the purchase of the Series AW Bonds, that the underwriters will neither offer nor sell unsold Series AW Bonds of any maturity to which the hold-the-price rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or (2) the date on which the underwriters

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<sup>1</sup> NOTE: As used herein, the “10% Test” means the determination whether at least 10% of any maturity of the Series AW Bonds is actually sold to the public at the Initial Reoffering Price; if so, such Initial Reoffering Price shall be treated as the “Issue Price” for federal tax purposes including the computation of yield on such Series AW Bonds.

have sold at least 10% of that maturity of the Series AW Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity of the Series AW Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The successful bidder will be required to deliver a certificate at or prior to settlement for the Series AW Bonds in substantially the form annexed hereto as Exhibit "B".

### **BLUE SKY LAWS AND LIMITATIONS ON BIDDERS**

By submission of its bid, the successful bidder represents that the sale of the Series AW Bonds will be made only in accordance with all applicable laws, rules and regulations (including rules and regulations promulgated by the Municipal Securities Rulemaking Board, the Securities and Exchange Commission and the Financial Industry Regulatory Authority), and only pursuant to exemptions from registration or, where necessary, registration of such Series by the successful bidder in accordance with the securities laws of the jurisdictions in which such Series are offered or sold. Except as indicated in the Blue Sky Memorandum described below, the Authority and the System agree to cooperate with the successful bidder at the successful bidder's written request and expense, in registering such Series or beneficial interests therein or obtaining an exemption from the registration in any jurisdiction where such action is necessary. The Authority and the System shall not be required to qualify as a foreign corporation in, or submit to jurisdiction of, any other state.

Co-Bond Counsel has prepared a Blue Sky Memorandum that indicates the states and other jurisdictions of the United States in which the Series AW Bonds may be offered and sold to the public under applicable laws of such states and other jurisdictions as of the date of the Preliminary Official Statement. The Blue Sky Memorandum contains certain qualifications and assumptions set forth therein. Any potential purchaser desiring a more definitive opinion concerning the laws of any state or other jurisdiction applicable to the offering and sale of the Series AW Bonds therein should consult its own advisors. As noted in the preceding paragraph, compliance with the laws of any jurisdiction as a condition to the sale of the Series AW Bonds in such jurisdiction shall be the responsibility of the successful bidder. Neither the System nor the Authority will have taken any action necessary to fulfill any such condition prior to the official award of the Series AW Bonds, nor will either take any such action thereafter except as noted in the preceding paragraph. Bidders should be aware that neither the Authority nor the System will undertake to cause the Blue Sky Memorandum to be revised to reflect any potential changes in applicable law after the date thereof.

### **OFFICIAL STATEMENT - COMPLIANCE WITH SEC RULE 15c2-12**

The Authority, solely with respect to the statements under the section captioned "The Authority", and the System have prepared a preliminary official statement relating to the Series AW Bonds (the "Preliminary Official Statement") that has been deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") as of its date, subject to completion, revision and amendment in a final official statement as hereafter defined in accordance with the Rule.

The Authority and the System shall deliver, without charge, not more than seven (7) business days (and in any event prior to closing on the Series AW Bonds) after the award of the Series AW Bonds, not more than 50 copies of a "final official statement," as that term is defined in the Rule, with respect to the Series AW Bonds (the "Official Statement") to the senior managing underwriter of the account to which the Series AW Bonds is awarded (the "Account Manager"). The Authority and the System shall, by awarding the Series AW Bonds, designate the Account Manager as their agent for purposes of distributing copies of

the Official Statement to each "Participating Underwriter" (as that term is defined in the Rule) of such Series. Any person executing and delivering a Form of Proposal with respect to the Series AW Bonds agrees thereby that, if it is the successful bidder, (i) it shall accept such designation, and (ii) it shall enter into a contractual relationship with all Participating Underwriters for the purpose of distributing copies of the Official Statement pursuant to the provisions of the Rule.

The Authority, as to statements concerning the Authority under the caption "The Authority", and the System agree to advise the Account Manager, by written notice and to the best of their knowledge, of any developments affecting the accuracy and completeness of the material representations contained in the Official Statement that occur during the period beginning on the date that the Official Statement becomes available and ending on the earlier of (i) ninety (90) days from the end of the underwriting period (as defined in the Rule) or (ii) the time when the Official Statement is available to any person through EMMA (as defined below), but in no case less than twenty-five days following the end of the underwriting period.

### **CONTINUING DISCLOSURE**

To satisfy the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the System and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (in such capacity, the "Dissemination Agent"), will enter into a Continuing Disclosure Agreement for the benefit of owners of the Series AW Bonds (the "Continuing Disclosure Agreement"). Pursuant to such agreement, the System will covenant to provide, through a dissemination agent, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board (the "MSRB"), certain annual financial information and operating data, of the nature included in the following sections of Appendix I to the Official Statement: Accreditation; Degrees Awarded; Enrollment; Application and Admissions; Tuition, Student Fees and Competition; Freshman Enrollment Composition; Student Financial Aid; Commonwealth Appropriations; Unrestricted Net Position; Faculty and Staff; and Outstanding Indebtedness. Audited financial statements of the System also will be provided to EMMA when available. The System will covenant to provide such information for a fiscal year within 150 days following the end of such fiscal year. The System will covenant to provide notice in a timely manner to EMMA of a failure of the System to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.

During the last five years, the System failed to file with EMMA, in a timely manner, certain Annual Financial Information in accordance with the Rule and as required under its previous continuing disclosure undertakings as follows. For the fiscal years ended June 30, 2016, 2015 and 2014, Annual Financial Information otherwise timely filed was not properly associated with certain CUSIPs associated with four series' of the System's prior bonds. The required filings were corrected on EMMA on or before September 1, 2017.

In the Continuing Disclosure Agreement, the System will also covenant to provide, in a timely manner, to EMMA notice of the occurrence of any of the following events with respect to the Series AW Bonds: (1) principal and interest payment delinquencies, (2) non-payment related defaults, if material, (3) unscheduled draws on debt service reserves reflecting financial difficulties, (4) unscheduled draws on credit enhancements reflecting financial difficulties, (5) substitution of credit or liquidity providers, or their failure to perform, (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series AW Bonds, or other material events affecting the tax status of the Series AW Bonds, (7) modifications to rights of holders of the Series AW Bonds, if material, (8) Bond calls, if material, and tender offers, (9) defeasances, (10) release, substitution or sale of property securing repayment of the Bonds, if material, (11) rating changes, (12) bankruptcy, insolvency, receivership or similar event of the System, (13) the consummation of a merger, consolidation, or acquisition involving

the System or the sale of all or substantially all of the assets of the System 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, (14) appointment of a successor or additional trustee or the change of name of a trustee, if material, and (15) the incurrence of a Financial Obligation (as defined in the Rule) of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation (as defined in the Rule) of the obligated person, any of which affect securities holders, if material; (16) A Default (as defined in the Rule), event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties, and (17) failure to provide annual information as required.

The System and the Dissemination Agent may amend the Continuing Disclosure Agreement, including amendments deemed necessary or appropriate in the judgment of the System (whether to reflect changes in the availability of information or in accounting standards or otherwise), and any provision of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied: (a) if the amendment or waiver relates to the undertakings of the System to provide annual financial information and notices, such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the System or the type of business or operations conducted by the System; (b) the undertakings contained in the Continuing Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series AW Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment either (i) is approved by the Holders of the Series AW Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series AW Bonds or the Dissemination Agent. The System's obligation to provide the foregoing annual financial information and notices of the specified events will terminate when the Series AW Bonds have been fully paid or legally defeased or 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 Series AW Bonds. Notice of such amendment will be provided to EMMA.

Under the Continuing Disclosure Agreement, the sole remedy for a breach or default by the System of its covenants to provide annual financial information and notices will be an action to compel specific performance. No action may be brought for monetary damages or otherwise under any circumstances. A breach or default under the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture or the Loan Agreement.

## **DELIVERY OF SERIES AW BONDS**

Delivery of the Series AW Bonds in definitive form will be made to DTC in New York, New York, against payment by the successful bidder of such Series, in immediately available funds on or about September 10, 2019 (the "Closing Date"), at such time as may be fixed by the Authority, upon five days' written notice to the successful bidder and at such place as shall be agreed upon with the successful bidder. CUSIP (Committee on Uniform Security Identification Procedures) identification numbers will be imprinted on the Series AW Bonds, but neither the failure to print such numbers on any Series AW Bond or any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Series AW Bonds in accordance with the terms hereof and pursuant to such successful bidder's proposal. All expenses in relation to the printing of CUSIP numbers on the Series AW Bonds will be paid for by the Authority; however, the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the successful bidder.

## **GOOD FAITH**

A Good Faith Deposit (the "Deposit") in the amount of \$100,000 is required only from the successful bidder of any series of the Series AW Bonds. The Deposit shall be payable for deposit with the Trustee in the form of a wire transfer in federal funds as instructed by the Financial Advisor no later than 5:00 p.m., Prevailing Local Time, on August 22, 2019. As an alternative to wiring funds, a bidder for the Series AW Bonds may deposit with the Trustee a financial surety bond issued by Assured Guaranty Municipal Corp. (a "Financial Surety Bond") in the amount of \$100,000, payable to the order of the Authority, with its bid. If used, the Financial Surety Bond must be submitted to the Authority prior to the deadline for the submission of bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. In the event the Purchaser fails to honor its accepted bid, the Financial Surety bond will be drawn upon by the Authority and such funds will be retained by the Authority. Failure of the policy to be issued shall not relieve the successful bidder of its obligation to purchase the Series AW Bonds.

## **LEGAL OPINION**

The Authority will deliver to the successful bidder, without charge, the approving legal opinion of Kutak Rock LLP and Turner Law, P.C., Co-Bond Counsel, in substantially the form included in the Official Statement as Appendix "IV" thereto, addressing, *inter alia*, the enforceability of, and federal and state tax exemptions applicable to, the Series AW Bonds. The opinion of Co-Bond Counsel will be attached to each of the Series AW Bonds.

## **RATINGS OF THE SYSTEM**

Moody's Investors Service and Fitch Ratings are expected to issue underlying credit ratings of the System of "Aa3" (stable outlook) and "A+" (stable outlook), respectively.

## **CLOSING DOCUMENTS**

At or prior to delivery of the Series AW Bonds to the successful bidder (the "Closing"), the Authority will furnish the successful bidder with the following:

(1) The opinion of Barley Snyder LLP, Lancaster, Pennsylvania, Counsel to the Authority, addressed to the Authority and the successful bidder, dated the date of Closing, to the effect that (i) based solely upon review of the records of the Prothonotary of the Commonwealth Court of Pennsylvania and the Certificate of the Authority, no litigation is pending or threatened (a) to restrain or enjoin the issuance or delivery of any of the Series AW Bonds or the collection of revenues pledged under the Indenture, (b) in any way contesting the existence of the Authority or the power or the authority of the Authority to issue the Series AW Bonds or the validity of the Series AW Bonds, the Indenture, and the Loan Agreement (including the assignment thereof to the Trustee), (ii) to their knowledge, no event affecting the Authority has occurred since the date of the Official Statement that is necessary to be disclosed therein in order to make the statements therein with respect to the Authority under the captions "The Authority" and "Absence of Litigation" not misleading in any material respect, (iii) the Authority is a body corporate and politic constituting a public corporation and a public instrumentality of the Commonwealth created by and existing under the provisions of the Act, pursuant to which the Authority has full legal right, power and authority to execute and deliver the Indenture, and the Loan Agreement (including the assignment thereof to the Trustee), and to issue the Series AW Bonds and utilize the proceeds of the Series AW Bonds pursuant to the Indenture, (iv) the Authority has duly authorized, executed and delivered the Forty-Fifth Supplemental Indenture, and the Forty-Fifth Supplemental Loan Agreement (including the assignment thereof to the Trustee), and assuming due authorization, execution, and delivery by the other parties thereto, each constitutes the legal, valid, and binding obligation of the Authority enforceable in accordance with its respective terms (subject

to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, preferential transfer and other similar laws affecting the rights of creditors generally, heretofore or hereafter enacted, to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases), (v) to their knowledge, the execution and delivery of, consummation of the transactions contemplated by, and the fulfillment and compliance with the terms of, the Series AW Bonds, the Indenture, and the Loan Agreement, under the circumstances contemplated thereby, do not and will not constitute on the part of the Authority a material breach of or default under the Act, the Authority's By-Laws, any existing law or regulation to which the Authority is subject to or any administrative or court order or decree which specifically names and is directed to the Authority or any indenture, mortgage, deed of trust or other instrument to which the Authority is a party or by which it may be bound of which such Counsel is aware, all as currently in effect, (vi) the Official Statement has been duly authorized, solely as to and for purposes of distribution, executed and delivered by the Authority, and (vii) to their knowledge, the information contained in the Official Statement relating to the Authority under the captions "The Authority" and "Absence of Litigation" does not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect;

(2) A certificate, dated the date of Closing, executed on behalf of the Authority by the Executive Director or other Authorized Officer of the Authority to the effect that: (i) the representations, warranties and covenants of the Authority contained in the Loan Agreement and the Indenture are true and correct in all material respects on and as of the date of the Closing, (ii) the Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing, (iii) the information in the Official Statement under the captions "The Authority" and "Absence of Litigation" insofar as it relates to the Authority does not, and the Preliminary Official Statement dated as of \_\_\_\_\_, 2019, did not, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading; and (iv) there is no action, suit or proceeding, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Authority, threatened against the Authority, affecting the existence of the Authority or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series AW Bonds or the revenues or assets of the Authority pledged or to be pledged to pay the principal of, redemption premium, if any, and interest on the Series AW Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series AW Bonds, the Indenture, and the Loan Agreement (including the assignment thereof to the Trustee), or contesting in any way the completeness or accuracy of the Preliminary Official Statement, or the Official Statement, or contesting the power or authority of the Authority to issue the Series AW Bonds or to execute and deliver the Indenture, and the Loan Agreement (including the assignment thereof to the Trustee); nor, to the knowledge of the Authority, is there any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series AW Bonds, the Indenture, and the Loan Agreement (including the assignment thereof to the Trustee).

(3) The opinion of Andrew C. Lehman, Chief Legal Counsel to the System, dated the date of Closing and addressed to the Authority and the successful bidder to the effect that: (i) the System is a body corporate and politic and a public instrumentality of the Commonwealth, created and existing under the provisions of Act 188 of 1982, as amended, pursuant to which the System has the full legal right and power and authority to execute and deliver the Loan Agreement (including the assignment thereof to the Trustee), and the Continuing Disclosure Agreement t, (ii) the System is a public instrumentality of the Commonwealth of Pennsylvania within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 3(a)(29) of the Securities Exchange Act of 1934, as amended, (iii) pursuant to due authorization, the System has authorized the distribution of the Preliminary Official Statement and the Official Statement, (iv) the Loan Agreement, and the Continuing Disclosure Agreement have each been duly authorized, executed and delivered by the System and, assuming due authorization, execution and delivery by the other parties thereto,

constitute legal, valid, and binding agreements of the System enforceable against the System in accordance with their terms except as enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), (v) except as set forth in the Official Statement, to the best of his knowledge after reasonable investigation, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, against or affecting the System, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Official Statement or the validity of the Loan Agreement, and the Continuing Disclosure Agreement, (vi) the execution of the Loan Agreement, and the Continuing Disclosure Agreement and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the System a breach of or default under any agreement or other instrument to which the System is a party or any existing law, ordinance, administrative regulation, court order or consent decree to which the System is subject, (vii) the assignment by the Authority of all of its right, title and interest in the Loan Agreement and the pledge of all moneys due thereunder to the Trustee will not affect the obligations of the System under the Loan Agreement, and the Continuing Disclosure Agreement, and (viii) without having undertaken to determine independently the accuracy or completeness of, or to verify the information furnished with respect to, matters described in the Official Statement under the caption "The Project" and Appendix I: "Certain Information Concerning the State System of Higher Education", nothing has come to his attention that causes him to believe that such sections contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, it being understood that, in rendering such opinion, such Counsel shall be expressing no opinion with respect to statistical data, technical and financial statements, operating statistics and other financial data in such captioned sections;

(4) A certificate, dated the date of Closing, signed by a principal financial or accounting officer of the System in which such officer states that to the best of his knowledge after reasonable investigation, (i) the Official Statement insofar as it relates to the System does not, and the Preliminary Official Statement dated as of its date, did not, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading, (ii) there has been no material adverse change in the financial position or results of operation of the System subsequent to the date of the Official Statement except as set forth therein or contemplated thereby, (iii) no litigation is pending or, to his knowledge, threatened (a) to restrain or enjoin the collection of revenues sufficient to enable the System to perform its obligations under the Loan Agreement or the Continuing Disclosure Agreement, (b) in any way contesting or affecting any authority for execution and delivery of the Series AW Bonds or the validity of the Series AW Bonds, the Loan Agreement, or the Continuing Disclosure Agreement, or (c) in any way contesting the corporate existence, tax-exempt status or powers of the System, and (iv) no event has occurred that would constitute a material default (including, but not limited to, any event that would permit acceleration) on the part of the System in any agreement relating to indebtedness of the System, if any, or that causes the System to believe it will default in any material way with respect to its obligations under any such agreement;

(5) A counterpart of the Forty-Fifth Supplemental Indenture and the Forty-Fifth Supplemental Loan Agreement executed by the parties thereto;

(6) A letter from Moody's Investors Services, Inc. ("Moody's") rating the Series AW Bonds as described under "Ratings" in the Official Statement;

(7) A letter from Fitch Ratings ("Fitch") rating the Series AW Bonds as described under "Ratings" in the Official Statement;

(8) One copy each of the Act and Act 188 of 1982, as amended, the by-laws of the System, as amended, and the resolutions of the Board of Governors of the System authorizing the execution and delivery of the Loan Agreement and all transactions contemplated by the Official Statement, all certified by its Secretary;

(9) An executed copy of the Continuing Disclosure Agreement;

(10) Such additional legal opinions, certificates, proceedings, instruments, and other documents as each successful bidder or Co-Bond Counsel may reasonably request to evidence compliance by the Authority and the System with the terms of this Invitation and the accepted proposal of each successful bidder, together with all other legal requirements, and the performance or satisfaction by the Authority and the System at or prior to the Closing of all agreements then to have been performed and all conditions then to have been satisfied by the Authority and the System.

The Authority and the System will furnish each successful bidder with such conformed copies of such opinions, certificates, letters and documents as such successful bidder may reasonably request.

Prior to settlement, the purchaser will be required to deliver to the Authority and Co-Bond Counsel the certificate referred to under "Reoffering and Sale of Series AW Bonds to Public" herein.

*[Signature Page Follows]*





**EXHIBIT A**  
**FORM OF ISSUE PRICE CERTIFICATE**

**[\$[PRINCIPAL AMOUNT]**  
**[BOND CAPTION]**  
**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.<sup>2</sup>

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer[ and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering

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<sup>2</sup> Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer [ and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER]

By: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

—

Dated: [ISSUE DATE]

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**  
*(Attached)*

**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
*(Attached)*

## EXHIBIT B

### SEPARATE CERTIFICATE NO. 2 — COMBINATION OF ACTUALLY SOLD AND OFFERED BONDS

\$(PRINCIPAL AMOUNT)  
[BOND CAPTION]

#### ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the ["Underwriter"]) ["Representative"]) [, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriters"),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the 10% Maturities.*** As of the date of this Certificate, for each Maturity of the 10% Maturities, the first price at which a Substantial Amount of such Maturity of the 10% Maturities was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Undersold Maturities.***

(a) The Underwriter[s] offered the Undersold Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], the Underwriter[s] [has][have] agreed in writing that, for each Maturity of the Undersold Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would [it][they] permit a related party to do so. Pursuant to such agreement, [the Underwriter][none of the Underwriters] [has][have] [neither][either] offered [nor][or] sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms.***

(a) *10% Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "10% Maturities."

(b) *Issuer* means [DESCRIBE ISSUER].

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriter[s] [has][have] sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Regulatory Underwriter or a related party to a Regulatory Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Regulatory Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(h) *Substantial Amount* means ten percent.

(i) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "Undersold Maturities."

The undersigned understands that the foregoing information will be relied upon by the Issuer[ and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer [ and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE], as  
[Underwriter] [Representative]

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Dated: [ISSUE DATE]

SCHEDULE A

SALE PRICES OF THE ACTUALLY SOLD MATURITIES AND INITIAL OFFERING PRICES OF  
THE OFFERED MATURITIES

*(Attached)*



SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

*(Attached)*

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**\$89,990,000\***  
**PENNSYLVANIA HIGHER EDUCATIONAL  
FACILITIES AUTHORITY  
(Commonwealth of Pennsylvania)  
Revenue Bonds  
STATE SYSTEM OF HIGHER EDUCATION, SERIES AW**

**BID CONFIRMATION CERTIFICATE**

The undersigned hereby certifies to the Pennsylvania Higher Educational Facilities Authority (the "Authority") and the State System of Higher Education (the "System"), in connection with the proposal to purchase the above-referenced Bonds submitted by the undersigned on the date hereof, as follows:

1. Attached hereto is a true and accurate copy of the purchase proposal which was electronically submitted to the Authority and the System by the undersigned in accordance with the Invitation for Proposals dated August \_\_, 2019 (the "Invitation"). The undersigned, on behalf of itself and the other underwriting group members listed below, acknowledges that it has received, read and reviewed a copy of the Invitation and the Preliminary Official Statement dated August \_\_, 2019, prepared in respect of the above referenced Bonds and agrees to comply with the terms thereof which are applicable to them.

2. The Minority, Veteran or Female Business Enterprise which will serve as co-manager of the underwriting group is set forth below:

\_\_\_\_\_

3. The members of the underwriting group represented by the undersigned and on behalf of which the undersigned submitted the attached proposal are set forth below (attach additional sheet if necessary):

[Representative/Underwriter]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: August \_\_, 2019

\_\_\_\_\_  
\*Preliminary, subject to change.

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Due to the importance which the Pennsylvania Higher Educational Facilities Authority and the State System of Higher Education attach to the requirement that each underwriting group submitting a bid on their bond issues has as a co-manager at least one Minority Business Enterprise, each potential bidder is requested to submit the following form prior to the deadline for the submission of bids to the attention of Michael R. Baird at telecopy number (866) 898-3791.

EXHIBIT A

Identification of Minority Business Enterprise Co-Manager

The undersigned intends to submit a bid to purchase the Pennsylvania Higher Education Facilities Authority Revenue and Refunding Revenue Bonds, State System of Higher Education, Series AW and consequently wishes to identify the following Minority Business Enterprise(s) which will serve as co-manager(s) of the underwriting group if a bid in fact is made:

Name of Minority Business  
Enterprise Co-Manager

Address

\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any questions concerning this identification can be addressed to the undersigned at the telephone number listed below the signer's name.

\_\_\_\_\_  
Name of Bidder

Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_

By: \_\_\_\_\_

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August 8, 2019

**\$89,990,000\***

**Pennsylvania Higher Educational Facilities Authority  
(Commonwealth of Pennsylvania)  
Revenue Bonds  
State System Of Higher Education, Series AW**

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**BLUE SKY MEMORANDUM**

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To the Prospective Purchasers of the Captioned Bonds:

The Blue Sky Memorandum (the “Memorandum”) attached hereto is concerned with the requirements of the securities or “Blue Sky” laws of the fifty United States, the District of Columbia and Puerto Rico with respect to offer and sale to the public of the above-captioned Bonds (the “Securities”). The statements made therein are based on an examination of the various statutes and the related rules and regulations, if any, issued thereunder, as reported in the latest version available to us of the standard unofficial compilation of those laws customarily relied upon for the preparation of a Blue Sky Memorandum and upon statements contained in the Preliminary Official Statement dated August 8, 2019.

We are attorneys admitted to practice in the Commonwealth of Pennsylvania and the State of Nebraska, and we have obtained neither opinions of members of the Bar of any other jurisdiction nor formal rulings from state regulatory commissions, departments or other administrative bodies or officials. Statements made or conclusions expressed in the Memorandum are subject to change upon exercise of broad discretionary powers vested in administrative authorities authorizing them to, among other things, withdraw exemptions, impose additional requirements, refuse registrations or issue stop orders.

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\* Preliminary, subject to change.

For purposes of the Memorandum we have assumed that the Securities are, and will be upon completion of the transaction: (i) exempt from registration under § 3(a)(2) of the Securities Act of 1933 (“’33 Act”); and (ii) “covered securities” as defined in § 18(b) of the ’33 Act.

The Memorandum is not a legal opinion and does not cover requirements of the laws of any jurisdiction with respect to (i) registration or licensing of dealers, brokers or salesmen, (ii) form or substance of advertising or filing requirements for advertising, (iii) legality of investments in the Securities by any institutions which may purchase them, or (iv) any resale of the Securities by any person who may purchase them in the present offering.

Yours truly,

KUTAK ROCK LLP

TURNER LAW P.C.



**\$89,990,000\***  
**Pennsylvania Higher Educational Facilities Authority**  
**(Commonwealth of Pennsylvania)**  
**Revenue Bonds**  
**State System Of Higher Education, Series AW**

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**BLUE SKY MEMORANDUM**  
*August 8, 2019*

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**I**

**SALES TO THE PUBLIC**

**Jurisdictions Where Action Is Not Required**

*Offers and sales* of the Securities may be made *in any amount* to anyone in the following jurisdictions without registration of the Securities or any filing being made with the local securities law administrator. Such offers and sales may be made only by sellers who are registered or licensed appropriately as dealers, brokers, salespersons or sales agents within the applicable jurisdiction or who are properly exempted from that jurisdiction's sellers' registration or licensing requirements.

Alabama	Illinois	Nebraska	South Dakota
Alaska	Indiana	New Hampshire	Tennessee
Arizona	Iowa	New Jersey	Texas
Arkansas	Kansas	New Mexico	Utah
California	Kentucky	New York	Vermont
Colorado	Louisiana	North Carolina	Virginia
Connecticut	Maine	North Dakota	Washington
Delaware	Maryland	Ohio	West Virginia
District of Columbia	Massachusetts	Oklahoma	Wisconsin
Florida	Michigan	Oregon	Wyoming
Georgia	Minnesota	Pennsylvania <sup>2</sup>	
Hawaii <sup>1</sup>	Mississippi	Puerto Rico	
Idaho	Missouri	Rhode Island	
	Montana	South Carolina	

<sup>1</sup> In Hawaii, any advertising or offering material with respect to the offering *that has not been prepared by or on behalf of the issuer* must clearly indicate the name of the person circulating it and the fact that such person is circulating it.

<sup>2</sup> A legend adequately describing the limited nature of the obligation must appear prominently in bold face type at least 12 points in size on the face page of any offering document. Except for offers and sales made to accredited investors, as that term is used in Rule 501(a) in Regulation D of the Securities Act of 1933, and in certain other excepted transactions, the use of prospective financial statements, including those contained in feasibility studies, are prohibited in connection with offerings exempt under Sections 202(a) or 203(d) of the Pennsylvania Securities Act of 1972 (the "Pennsylvania Act"), 70 P.S. §§ 1-202(a) or 1-202(d), and certain registered offerings unless the prospective financial statements utilized or distributed comply with the Pennsylvania Act and Title 64, Part I, Subpart F, Chapter 609, Section 609.010 of the Pennsylvania Code.

## II

### SALES TO THE PUBLIC MAY NOT BE MADE IN NEVADA

*Although it appears that the Securities may be exempted securities in Nevada, notice must be given or certain filing or registration fees must be paid to the administrator before offers or sales to the public will be proper. Because there is no plan at present to give any such notice or to pay any such fees, or to take any action to qualify any of the Securities for sale there, no offers or sales to the public should be made in Nevada.*

## III

### SALES TO SPECIFIED INSTITUTIONS AND DEALERS

In addition to any offers or sales of the Securities that Part I indicates are proper, it is believed that *offers* and *sales* of the Securities may be made *in any amount* to certain specific institutions (subject to any qualifications noted) without registration of the Securities or any filings being made with the local securities law administrator, and without waiting to complete any action necessary to qualify the Securities for offers and sales to the public in Nevada as set forth in Part II of this Memorandum. Set forth below is a list of those institutions or entities sales to which are exempted from Nevada's securities registration provisions.

Such exempt offers and sales to institutional purchasers may be made only by sellers who are registered or licensed appropriately as dealers, brokers, salespersons or sales agents within the applicable jurisdiction or who are properly exempted from Nevada's sellers' registration or licensing requirements. Eligibility of the Securities for investment by the institutions listed below is not covered in this Memorandum, and no assumption as to eligibility or suitability for purchase by any institution may be drawn from its listing below.

**Nevada.** Any financial or institutional investor or broker-dealer. "Financial or institutional investor" means any depository institution, insurance company, separate account of an insurance company, investment company as defined in the Investment Company Act of 1940, employee pension, profit-sharing or benefit plan (if (i) the plan has total assets in excess of five million dollars or (ii) its investment decisions are made by a named fiduciary as defined in the Employee Retirement Income Security Act of 1974 that is either a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, a depository institution or an insurance company), or any other institutional buyer.