

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

In the opinion of Co-Bond Counsel, interest on the 2021A Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the 2021A Bonds is not an item of tax preference for purposes of federal alternative minimum tax. Interest on the 2021B Bonds is not excludable from gross income. In the opinion of Co-Bond Counsel, under the laws of the Commonwealth of Pennsylvania, interest on the 2021 Bonds is exempt from Pennsylvania personal income tax and corporate net income tax. See "TAX MATTERS" herein.



\$81,190,000
Pennsylvania Higher Educational Facilities Authority
Revenue Bonds, Series 2021
(Widener University)
Consisting of:

\$26,130,000
Revenue Bonds
Series 2021A (Widener University)

\$55,060,000
Revenue Bonds
Series 2021B (Federally Taxable) (Widener University)

Dated: Date of Delivery**First Interest Payment Date:** January 15, 2022**Due:** July 15, as shown on the inside cover

The Pennsylvania Higher Educational Facilities Authority (the "Authority") is issuing its \$81,190,000 aggregate principal amount of Revenue Bonds, Series 2021 (Widener University), consisting of \$26,130,000 Series 2021A (the "2021A Bonds") and \$55,060,000 Series 2021B (Federally Taxable) (the "2021B Bonds" and, together with the 2021A Bonds, the "2021 Bonds") to provide funds, together with other available funds, to undertake a project for the benefit of Widener University, Inc. (the "University") consisting of (i) the renovation of the Academic Center North building that will house the physical therapy, occupational therapy, speech-language pathology and physician's assistant programs of the University; (ii) renovations of other campus locations for departments displaced or otherwise impacted by the Academic Center North renovation; (iii) and the construction, re-construction, renovation and/or equipping of additional facilities for University purposes; (iv) refunding certain bonds issued on behalf of the University and (v) the funding of any necessary reserves and the payment of the costs of issuance of 2021 Bonds. See "PLAN OF FINANCE" herein.

The 2021 Bonds are being issued pursuant to a Trust Indenture dated as of September 1, 2003, as previously supplemented and amended, and as further supplemented by a Fifth Supplemental Trust Indenture dated as of July 1, 2021 (collectively, the "Indenture"), between the Authority and TD Bank, National Association, Cherry Hill, New Jersey, as trustee (the "Trustee"). The principal of and interest on the 2021 Bonds are payable from revenues of the Authority derived pursuant to a Loan Agreement dated as of September 1, 2003, as previously supplemented and amended, and as further supplemented by a Fifth Supplemental Loan Agreement dated as of July 1, 2021 (collectively, the "Loan Agreement"), between the Authority and the University.

The 2021 Bonds will be issued only as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and will be available to ultimate purchasers ("Beneficial Owners") under the book-entry system maintained by DTC, only through brokers and dealers who are, or act through, DTC Participants. Purchases of 2021 Bonds by Beneficial Owners will be made in book-entry form in denominations of \$5,000 and any integral multiple thereof. Beneficial Owners will not be entitled to receive physical delivery of the 2021 Bonds.

Interest on the 2021 Bonds is payable on each January 15 and July 15 commencing January 15, 2022. Interest on the 2021 Bonds is payable by check mailed, or under certain conditions by wire transfer, to the persons in whose names such 2021 Bonds are registered at the close of business on the regular record date, which is the last day (whether or not a business day) of the calendar month immediately preceding the respective interest payment date. Principal of, and premium, if any, on all 2021 Bonds will be payable at the designated corporate trust office of the Trustee, or at the designated corporate trust office of any successor trustee.

The 2021 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described herein under the caption "THE 2021 BONDS – Redemption".

THE 2021 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE TRUST ESTATE (AS DEFINED IN THE INDENTURE). NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE 2021 BONDS, NOR SHALL THE 2021 BONDS BE OR BE DEEMED GENERAL OBLIGATIONS OF THE AUTHORITY OR OBLIGATIONS OF THE COMMONWEALTH OF PENNSYLVANIA OR OF ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

The 2021 Bonds are offered when, as and if issued by the Authority and received by the Underwriter, subject to the approving legal opinions of Ballard Spahr LLP, and Andre C. Dasent, P.C., each of Philadelphia, Pennsylvania, as Co-Bond Counsel. Certain legal matters will be passed upon for the University by its counsel, Lamb, McErlane, P.C., Newtown Square, Pennsylvania; for the Authority by its counsel, Barley Snyder LLP, Lancaster, Pennsylvania; and for the Underwriter by its counsel, Chiesa Shahinian Giantomasi PC, West Orange, New Jersey. It is expected that the 2021 Bonds will be available for delivery through the facilities of DTC on or about July 14, 2021.

BofA Securities

Dated: June 23, 2021

\$81,190,000
Pennsylvania Higher Educational Facilities Authority
Revenue Bonds, Series 2021
(Widener University)

Consisting of:

\$26,130,000
Revenue Bonds
Series 2021A (Widener University)

\$55,060,000
Revenue Bonds
Series 2021B (Federally Taxable) (Widener University)

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

SERIES 2021A BONDS

\$1,800,000 Serial Bonds

<u>Maturity</u> <u>(July 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u> <u>Number</u> **
2039*	\$1,205,000	3.000%	2.230%	106.869	70917TDX6
2040*	295,000	3.000	2.260	106.591	70917TDY4
2041*	300,000	3.000	2.290	106.315	70917TDZ1

\$8,650,000 4.000% Term Bonds Due July 15, 2046*, Price: 116.766, Yield: 2.130%, CUSIP No.**: 70917TEA5

\$15,680,000 4.000% Term Bonds Due July 15, 2051*, Price: 116.472, Yield: 2.160%, CUSIP No.**: 70917TEB3

SERIES 2021B BONDS

\$19,440,000 Serial Bonds

<u>Maturity</u> <u>(July 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u> <u>Number</u> **
2022	\$ 615,000	0.862%	0.862%	100.000	70917TEC1
2023	625,000	1.262%	1.262%	100.000	70917TED9
2024	635,000	1.533%	1.533%	100.000	70917TEE7
2025	645,000	1.883%	1.883%	100.000	70917TEF4
2026	2,645,000	2.193%	2.193%	100.000	70917TEG2
2027	2,705,000	2.368%	2.368%	100.000	70917TEH0
2028	2,775,000	2.539%	2.539%	100.000	70917TEJ6
2029	2,850,000	2.689%	2.689%	100.000	70917TEK3
2030	2,930,000	2.789%	2.789%	100.000	70917TEL1
2031	3,015,000	2.939%	2.939%	100.000	70917TEM9

\$18,485,000 3.364% Term Bonds Due July 15, 2036, Price: 100.000, Yield: 3.364%, CUSIP No.**: 70917TEN7

\$17,135,000 3.726% Term Bonds Due July 15, 2043, Price: 100.000, Yield: 3.726%, CUSIP No.**: 70917TEP2

* Priced at the stated yield to the first optional redemption date of July 15, 2031.

** Registered trademark of American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by Standard & Poor's, Capital IQ. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2021 Bonds, and none of the Authority, the University or the Underwriter make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2021 Bonds.

PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY

(Commonwealth of Pennsylvania)
1035 Mumma Road
Wormleysburg, PA 17043

BOARD MEMBERS

Honorable Thomas W. Wolf
Governor of the Commonwealth of PennsylvaniaPresident

Honorable Scott Martin
Designated by the President Pro Tempore of the Senate Vice President

Honorable Lindsay M. Williams
Designated by the Minority Leader of the Senate Vice President

Honorable Curtis G. Sonney
Designated by the Speaker of the House of Representatives Vice President

Honorable Stacy Garrity
State Treasurer Treasurer

Honorable Curtis M. Topper
Secretary of General Services Secretary

Honorable Napoleon J. Nelson
Designated by the Minority Leader of the House of Representatives Board Member

Honorable Timothy L. DeFoor
Auditor General Board Member

Honorable Noe Ortega
Secretary of Education Board Member

EXECUTIVE DIRECTOR

Eric Gutshall

AUTHORITY COUNSEL

(Appointed by the Office of General Counsel)

Barley Snyder LLP
Lancaster, Pennsylvania

TRUSTEE

TD Bank, National Association
Cherry Hill, New Jersey

CO-BOND COUNSEL

(Appointed by the Office of General Counsel)

Ballard Spahr LLP
Philadelphia, Pennsylvania

Andre C. Dasent, P.C.
Philadelphia, Pennsylvania

UNDERWRITER

BofA Securities, Inc.
New York, New York

THE 2021 BONDS MAY BE OFFERED AND SOLD TO CERTAIN DEALERS (INCLUDING DEALERS DEPOSITING THE 2021 BONDS INTO INVESTMENT ACCOUNTS) AND TO OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS WITHOUT PRIOR NOTICE TO THE PUBLIC, BUT WITH PRIOR NOTICE TO THE AUTHORITY AND THE UNIVERSITY.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY, OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE 2021 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The information set forth herein has been obtained from Widener University, Inc. (the "University") and from other sources which are believed to be reliable, but the information provided by sources other than the University is not guaranteed as to accuracy or completeness by the University. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

The Pennsylvania Higher Educational Facilities Authority (the "Authority") has not prepared or assisted in the preparation of this Official Statement except for the statements under the sections "THE AUTHORITY" and "LITIGATION – The Authority". The Authority has only reviewed the information contained herein under the sections "THE AUTHORITY" and "LITIGATION – The Authority" and approved such information for use within the Official Statement.

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

No dealer, broker, salesperson or other person has been authorized by the Authority, the Underwriter or the University to give any information or to make any representations with respect to the 2021 Bonds, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy any of the 2021 Bonds in any jurisdiction in which it is unlawful to make such an offer, solicitation, or sale.

THE 2021 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS CONTAINED IN SECTIONS 3(a)(2) AND 3(A)(4) OF SUCH ACT. THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT.

THE 2021 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES COMMISSION OR ANY REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Statements in this Official Statement are made as of the date hereof unless stated otherwise and neither the delivery of this Official Statement at any time, nor any sales thereunder, shall under any circumstances create an implication that the information contained herein is correct as of any time subsequent to the date hereof.

The Official Statement will be made available through the Electronic Municipal Market Access system.

Any references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites and any links contained within those websites are not incorporated herein by reference and do not constitute part of this Official Statement.

In making an investment decision, investors must rely on their own examination of the University and the terms of the offering, including the merits and risks involved. Prospective investors should not construe the contents of this Official Statement as legal, tax or investment advice.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute projections or estimates of future events, generally known as forward-looking statements. These statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. These forward-looking statements include, among others, the information in APPENDIX A to this Official Statement, and the statements under the caption “BONDHOLDERS’ RISKS” in the forepart of this Official Statement.

The achievement of certain results or other expectations in these forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The University does not plan to issue any updates or revisions to those forward-looking statements if or when changes in its expectations, or events, conditions or circumstances on which these statements are based occur.

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OFFICIAL STATEMENT

Relating to

\$81,190,000

**Pennsylvania Higher Educational Facilities Authority
Revenue Bonds, Series 2021
(Widener University)**

Consisting of:

\$26,130,000

**Revenue Bonds
Series 2021A (Widener University)**

\$55,060,000

**Revenue Bonds
Series 2021B (Federally Taxable)
(Widener University)**

INTRODUCTORY STATEMENT

This Official Statement is provided to furnish certain information with respect to the issuance by the Pennsylvania Higher Educational Facilities Authority (the "Authority") of \$81,190,000 aggregate principal amount of Revenue Bonds, Series 2021 (Widener University) consisting of \$26,130,000 Series 2021A (the "2021A Bonds") and \$55,060,000 Series 2021B (Federally Taxable) (the "2021B Bonds" and, together with the 2021A Bonds, the "2021 Bonds"). The 2021 Bonds will be issued pursuant to a Trust Indenture dated as of September 1, 2003 (the "Original Indenture"), as previously supplemented and amended and as further supplemented by a Fifth Supplemental Trust Indenture dated as of July 1, 2021 (the "Fifth Supplemental Indenture", and collectively with the Original Indenture as previously supplemented and amended, the "Indenture"), between the Authority and TD Bank, National Association, Cherry Hill, New Jersey, as trustee (the "Trustee"). The 2021 Bonds will be special limited obligations of the Authority as described under the caption "SECURITY FOR THE 2021 BONDS." The proceeds of the 2021 Bonds will be loaned by the Authority to Widener University, Inc. (the "University") pursuant to a Loan Agreement dated as of September 1, 2003, as previously supplemented and amended and as further supplemented by a Fifth Supplemental Loan Agreement, dated as of July 1, 2021 (collectively, the "Loan Agreement") and will be used, together with other available funds, to pay the costs of the project described herein (the "2021 Project"). The University's obligations under the Loan Agreement will be secured by a security interest in the University's Gross Revenues (hereinafter defined) created pursuant to the Loan Agreement.

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

Information concerning the Authority, the 2021 Project, the 2021 Bonds, the security for the 2021 Bonds and certain other matters are included in this Official Statement. Certain definitions used herein and summaries of certain provisions of the Indenture and the Loan Agreement are included in Appendix C hereto. Information regarding the University is included in Appendix A hereto. Audited financial statements of the University for the years ended June 30, 2020 and 2019 are included as Appendix B hereto. The summaries of certain provisions of and references to the Indenture and the Loan Agreement are qualified in their entirety by reference to such documents, and the descriptions herein of the 2021 Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the Indenture. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights. Copies of such documents may be obtained from the Trustee at its corporate trust office in Cherry Hill, New Jersey, and from the Underwriter in Philadelphia, Pennsylvania.

The Authority. The Authority is a body corporate and politic, constituting a public corporation and a governmental instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth"), created by the Pennsylvania Higher Educational Facilities Authority Act of 1967 (Act No. 318 of the General Assembly of the Commonwealth, approved December 6, 1967, as amended) (the "Act"). The Authority's address is 1035 Mumma Road, Wormleysburg, Pennsylvania 17043. The Authority has no taxing power. For additional information concerning the Authority, see "THE AUTHORITY" herein.

Widener University. The University is a multi-campus, multi-purpose undergraduate and graduate university located in the Commonwealth of Pennsylvania and the State of Delaware. Founded in Wilmington, Delaware in 1821, the University is composed of eight schools and colleges which offer professional and pre-professional curricula. The University's 2020 fall enrollment (on a full-time equivalent basis) was approximately 2,726 undergraduate students and 2,250 graduate students, including 1,076 law students. The University's schools include: the College of Arts & Sciences, School of Business Administration, School of Engineering, the College of Health & Human Services, School of Nursing, Center for Continuing Studies, Delaware Law School and Commonwealth Law School. Additional information concerning the University is contained in Appendix A and Appendix B hereto.

The 2021 Project. The 2021 Project will consist of the New Money Project and the Refunding Project (each as hereinafter defined). See "PLAN OF FINANCE" herein.

University Monitoring Effect of COVID-19 on the University. In late 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred in the United States and globally, including mandates from federal, state and local authorities, leading to an overall decline in economic activity. The University is closely monitoring the effect of COVID-19 on the University. See "BONDHOLDERS' RISKS – Impact of COVID-19 Pandemic on the University's Operations and Revenues" and "APPENDIX A – Response to the Covid-19 Pandemic".

Security and Sources of Payment for the 2021 Bonds. The 2021 Bonds will be issued under and secured by the Indenture. The Indenture provides, among other things, that the Bonds issued thereunder, including the Prior Bonds referred to below, the 2021 Bonds and any Additional Bonds which may hereafter be issued, will be secured by the funds and accounts established thereunder (other than the Rebate Fund established to provide necessary funds for compliance with certain of the covenants referred to under "TAX MATTERS" herein) and all moneys and investments held therein, and by an assignment to the Trustee of the Authority's rights (except for certain reserved rights) under the Loan Agreement, and all loan payments and other payments, revenues and receipts receivable by the Authority thereunder. Pursuant to the Loan Agreement, the University will be required to make payments to the Trustee (as the Authority's assignee) in amounts sufficient to pay the principal or redemption price of and interest on the 2021 Bonds, and to observe certain additional covenants contained therein. The Loan Agreement will be a general obligation of the University, secured by a security interest (granted pursuant to the Loan Agreement) in the University's Gross Revenues. A debt service reserve fund was established under the Indenture (the "Debt Service Reserve Fund"). The 2021 Bonds are **not** secured by the Debt Service Reserve Fund, and no funds will be on deposit in the Debt Service Reserve Fund as of the date of issuance of the 2021 Bonds. In connection with the issuance of Additional Bonds, the applicable supplemental indenture executed in connection with the issuance of such Additional Bonds may require the deposit of funds in the Debt Service Reserve Fund to secure such Additional Bonds. See "SECURITY FOR THE 2021 BONDS" herein and Appendix C hereto.

Prior Bonds, Additional Bonds and Other Indebtedness. Pursuant to the Indenture, the Authority has previously issued, and there are currently outstanding, \$11,980,000 aggregate principal amount of its Revenue Bonds, Series 2013 (Widener University) (the "2013 Bonds"), \$45,080,000 aggregate principal amount of its Revenue Bonds, Series 2013A (Widener University) (the "2013A Bonds") and \$16,140,000 aggregate principal amount of its Revenue Bonds, Series 2014 (Widener University) (the "2014 Bonds" and, together with the 2013 Bonds and the 2013A Bonds, the "Prior Bonds") on behalf of the University. All or a portion of the 2013 Bonds and the 2013A Bonds are expected to be refunded from the proceeds of the 2021B Bonds. See "PLAN OF FINANCE" herein. The proceeds of the Prior Bonds were, and the proceeds of the 2021 Bonds will be, loaned to the University by the Authority pursuant to the Loan Agreement. The 2021 Bonds are being issued as Additional Bonds under the Indenture. Under the terms and conditions set forth in the Indenture and Loan Agreement, the Authority may issue Additional Bonds secured on parity with the 2021 Bonds and the Prior Bonds; provided, however, that the 2021 Bonds and the Prior Bonds shall not be secured by the Debt Service Reserve Fund. The Debt Service Reserve Fund may or may not secure any Additional Bonds that are issued under the Indenture as shall be set forth in the supplemental indenture to be executed in connection with the issuance of such Additional Bonds. The 2021 Bonds, the Prior Bonds and any Additional Bonds issued pursuant to the Indenture are herein referred to collectively as "Bonds." Indebtedness other than Bonds may be incurred by the University under the terms and conditions set forth in the Loan Agreement and may be secured by properties and revenues of the University as provided in the Loan Agreement. The University's obligations with respect to the Bonds are not secured by a mortgage with respect to any part of the University's campus or other real property of the University or a lien or security interest in any personal property of the University other than its Gross Revenues. Except as otherwise provided in the Loan Agreement, no lien may be granted to secure Long Term Indebtedness of the University unless a lien of equal or superior rank and priority is granted in favor of the Trustee for the benefit of the holders of all Bonds issued and Outstanding under the Indenture. See "Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE – THE INDENTURE – Additional Bonds" and "– THE LOAN AGREEMENT – Additional Indebtedness."

Bondholders' Risks. Certain risks associated with ownership of the 2021 Bonds are described herein under the caption "BONDHOLDERS' RISKS".

Forward-Looking Statements. If and when included in this Official Statement, the words "expects", "forecasts", "projects", "intends", "anticipates", "estimates", "assumes", and similar or analogous expressions are intended to identify forward-looking statements. Such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected or expected. Such risks and uncertainties that could affect the amount of revenue collected by the University include, among others, changes in economic conditions and various other events, conditions and circumstances, many of which are beyond the control of the University. While the University's administration believes that any such forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting the University, including without limitation future developments triggered directly or indirectly by the COVID-19 pandemic, will be those that the University currently anticipates, and any and all forward-looking statements in this Official Statement may turn out to be inaccurate. Such forward-looking statements speak only as of the date of this Official Statement. The University disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the University's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THE AUTHORITY

The Authority is a body corporate and politic, constituting a public corporation and a governmental instrumentality of the Commonwealth, created by the Act. The Authority's address is 1035 Mumma Road, Suite 300, Wormleysburg, Pennsylvania 17043.

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

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

The Authority has issued from time to time other series of revenue bonds and notes for the purpose of financing projects for other higher educational institutions in the Commonwealth. None of the revenues of the Authority with respect to its revenue bonds and notes issued for the benefit of other institutions will be pledged as security for any bonds or notes issued for the benefit of the University. Further, no revenue bonds and notes issued for the benefit of other institutions will be payable from or secured by the revenues of the Authority or other moneys securing any bonds or notes issued for the benefit of the University.

The Authority may issue in the future other series of bonds for the purpose of financing other projects, including other educational facilities. Each such series of bonds to the extent issued to benefit educational institutions other than the University is or will be secured by instruments separate and apart from the Indenture securing the 2021 Bonds.

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

under the Act. Accordingly, the Authorities share an executive, fiscal and administrative staff and operate under a joint administrative budget.

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

Eric Gutshall
Executive Director

Mr. Gutshall was appointed by Governor Wolf as Executive Director of the Authority and SPSBA on December 9, 2019. He previously served as Governor Wolf's Secretary of Intergovernmental Affairs and as Director of Constituent Services. He obtained his Bachelor of Science degree in Business Administration from Central Pennsylvania College and his Master of Public Administration from the University of Pennsylvania.

Beverly M. Nawa
Director of Operations

Ms. Nawa serves as the Director of Operations of both the Authority and SPSBA. She has been with the Authorities since 2004. She served as Acting Executive Director from October 2018 to December 2019. Ms. Nawa is a graduate of Alvernia University with a bachelor's degree in business administration

David Player
Comptroller & Director of Financial Management

Mr. Player serves as the Comptroller & Director of Financial Management of both the Authority and SPSBA. He has been with the Authority and SPSBA since 1999. Mr. Player is a graduate of Penn State with a bachelor's degree in accounting and is a certified public accountant.

THE AUTHORITY HAS NOT PREPARED OR ASSISTED IN THE PREPARATION OF THIS OFFICIAL STATEMENT, EXCEPT THE STATEMENTS UNDER THIS SECTION AND UNDER THE HEADING "ABSENCE OF LITIGATION – The Authority," AND, EXCEPT AS AFORESAID, THE AUTHORITY DISCLAIMS RESPONSIBILITY FOR THE DISCLOSURES SET FORTH HEREIN MADE IN CONNECTION WITH THE OFFER, SALE, AND DISTRIBUTION OF THE 2021 BONDS.

THE 2021 BONDS

General

The 2021 Bonds will initially be dated the date of delivery thereof, will mature on July 15 of the years and in the amounts set forth on the inside cover page hereof, and will be subject to redemption prior to maturity as described below under "Redemption".

Interest on the 2021 Bonds, payable at the rates set forth on the inside cover page hereof from the date of delivery thereof, is payable on January 15 and July 15 of each year, commencing January 15, 2022. Interest on the 2021 Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each 2021 Bond shall bear interest from the most recent interest payment date or from the date of delivery if no interest has been paid.

The 2021 Bonds will be issued as fully registered bonds in denominations of \$5,000 and any integral multiples thereof. The principal or redemption price of the 2021 Bonds shall be payable upon surrender thereof at the designated corporate trust office of the Trustee and interest shall be payable by check mailed to the registered owners of the 2021 Bonds as shown on the registration books kept by the Trustee as of the close of business on the applicable record dates described below, except that at the written direction of any registered owner of at least \$500,000 in aggregate principal amount of 2021 Bonds, the Trustee shall pay interest to such registered owner by wire transfer to a designated account of such registered owner.

Except in the case of overdue interest, the record date for interest due on the 2021 Bonds shall be the last day (whether or not a business day) of the calendar month immediately preceding each regular interest payment date. Interest which is due and payable on an interest payment date, but cannot be paid on such date from available funds under the Indenture, shall thereupon cease to be payable to the registered owners otherwise entitled thereto as of such date. At such

time as sufficient funds are available for the payment of such overdue interest, the Trustee shall establish a special payment date for such interest and a special record date in respect thereof. The Trustee shall mail a notice specifying each date so established to each registered owner of the 2021 Bonds, such notice to be mailed at least 10 days prior to the special record date, but not more than 30 days prior to the special interest payment date.

The Trustee shall keep the registration books for the 2021 Bonds at its designated corporate trust office. Subject to the further conditions contained in the Indenture, the 2021 Bonds may be transferred or exchanged for one or more 2021 Bonds in different authorized denominations upon surrender thereof at the designated corporate trust office of the Trustee by the registered owners or their duly authorized attorneys. Except in the case of any Bond properly surrendered for partial redemption (as described in the Indenture), the Trustee shall not be required to effect any transfer or exchange of any 2021 Bond during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or at any time following the mailing of any such notice, if the 2021 Bond to be transferred or exchanged has been called for such redemption. No charge shall be imposed in connection with any transfer or exchange, except for taxes or governmental charges related thereto. The Authority and the Trustee shall be entitled to treat the registered owners of the 2021 Bonds, as their names appear in the registration books as of the appropriate dates, as the owners of such 2021 Bonds for all purposes under the Indenture. No transfer or exchange made other than as described above and in the Indenture shall be valid or effective for any purposes under the Indenture.

Redemption

Optional Redemption. The 2021A Bonds are subject to optional redemption by the Authority, at the direction of the University, in whole or in part at any time, from the maturities designated by the University and by lot within a maturity, on or after July 15, 2031, at a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date.

The Authority, at the direction of the University, may purchase 2021A Bonds called for optional redemption in lieu of such optional redemption, in which event the 2021A Bonds so purchased shall remain outstanding under the Indenture, provided that the Authority and the Trustee shall have received an opinion of nationally recognized bond counsel to the effect that such purchase in lieu of redemption will not adversely affect the exclusion from gross income of the holders thereof for federal income tax purposes of the interest on such 2021A Bonds.

Make-Whole Optional Redemption. The 2021B Bonds are subject to redemption prior to their stated maturities at the option of the Authority at the direction of the University, in whole or in part, on any date at the Make-Whole Redemption Price as described below.

The University will retain an independent accounting firm, a financial institution, or a financial advisor (the “Make Whole Calculation Agent”) to determine the Make-Whole Redemption Price of the 2021B Bonds to be redeemed and perform all actions and make all calculations required to determine such Make-Whole Redemption Price. The Trustee, the Authority, and the University may conclusively rely on such accounting firm’s, financial institution’s, or financial advisor’s calculations in connection with, and its determination of, the Make-Whole Redemption Price, and none of the Trustee, the Authority nor the University shall have any liability for such reliance. The determination of the Make-Whole Redemption Price by such Make Whole Calculation Agent shall be conclusive and binding on the Trustee, the Authority, and the University and the Holders of the 2021B Bonds.

For purposes of this section, the following terms shall be defined as follows:

“*Business Day*” means a day other than (i) a Saturday, Sunday or legal holiday in the city in which the University or the corporate trust office of the Trustee responsible for the administration of the Indenture is located are authorized or required by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

“*Make-Whole Redemption Price*” means the greater of (i) 100% of the principal amount of the 2021B Bonds to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the 2021B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2021B Bonds are to be redeemed, discounted to the date on which such 2021B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 25 basis points, plus, in each case, accrued and unpaid interest on the 2021B Bonds to be redeemed on the redemption date.

“*Treasury Rate*” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the 2021B Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

Mandatory Redemption. The 2021A Bonds maturing on July 15, 2046 are subject to mandatory redemption prior to maturity in part by lot, on July 15 of each year as set forth below, in the respective principal amounts listed opposite each such year, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
2042	\$ 315,000
2043	325,000
2044	2,565,000
2045	2,670,000
2046*	2,775,000

*Maturity Date

The 2021A Bonds maturing on July 15, 2051 are subject to mandatory redemption prior to maturity in part by lot, on July 15 of each year as set forth below, in the respective principal amounts listed opposite each such year, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
2047	\$2,890,000
2048	3,010,000
2049	3,130,000
2050	3,260,000
2051*	3,390,000

*Maturity Date

The 2021B Bonds maturing on July 15, 2036 are subject to mandatory redemption prior to maturity in part by lot, on July 15 of each year as set forth below, in the respective principal amounts listed opposite each such year, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
2032	\$3,110,000
2033	3,215,000
2034	3,920,000
2035	4,050,000
2036*	4,190,000

*Maturity Date

The 2021B Bonds maturing on July 15, 2043 are subject to mandatory redemption prior to maturity in part by lot, on July 15 of each year as set forth below, in the respective principal amounts listed opposite each such year, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
2037	\$4,170,000
2038	4,315,000
2039	860,000
2040	1,840,000
2041	1,910,000
2042	1,980,000
2043*	2,060,000

*Maturity Date

In the event that any 2021 Bonds are redeemed (other than through mandatory sinking fund redemption pursuant to the Indenture) and are cancelled by the Trustee, the mandatory sinking fund redemption obligations and payment obligations at maturity with respect to the 2021 Bonds of the same maturity and interest rate shall be reduced in the aggregate principal amount of 2021 Bonds so redeemed, in such amounts and in such order of maturity as shall be directed in writing by the University.

Extraordinary Redemption. The 2021 Bonds are subject to redemption in whole or in part at the option of the Authority, upon the written direction of the University, on any date prior to maturity, at a redemption price of 100% of the principal amount thereof, plus interest accrued to the redemption date, in the event of condemnation, damage or destruction of any material properties of the University, out of the proceeds of insurance, condemnation awards and the proceeds of conveyances in lieu of condemnations deposited with or held by the Trustee for such purpose. In the case of any extraordinary redemption in part, the 2021 Bonds to be redeemed shall be selected for redemption in such order of maturity as the University may direct and within each maturity by lot. Furthermore, in the case of an extraordinary redemption, moneys available therefor shall be allocated to each series of Bonds outstanding under the Indenture subject to such extraordinary redemption as nearly as practicable in the same proportion as the outstanding principal amount of Bonds of each such series bears to the outstanding principal amount of all Bonds subject to such extraordinary redemption.

Notice of Redemption

The Trustee shall give notice of redemption not less than 30 days nor more than 60 days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner at the address shown on the Trustee's registration books. Any failure of a Bondholder to receive notice or any defect in notice with respect to a particular 2021 Bond or 2021 Bondholder shall not affect the validity of the redemption of any other 2021 Bonds. Notice of optional redemption or extraordinary redemption may be conditioned upon the deposit of moneys sufficient to redeem all the 2021 Bonds called for redemption with the Trustee on or before the date fixed for redemption and such notice shall be of no effect unless such moneys are deposited.

If less than all of the 2021 Bonds of any particular maturity shall be called for redemption, the 2021 Bonds of such maturity to be redeemed shall be selected by lot by the Trustee. If a 2021 Bond is of a denomination in excess of \$5,000, portions of the principal amount in the amount of \$5,000 or any multiple thereof may be redeemed.

BOOK-ENTRY ONLY SYSTEM

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

General

The 2021 Bonds will be issued in book-entry form. DTC will act as securities depository for the 2021 Bonds. The 2021 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for the 2021 Bonds of each maturity of each series thereof in the aggregate principal amount thereof and will be

deposited with DTC. The following discussion will not apply to any 2021 Bonds issued in certificated form following the discontinuance of the DTC Book-Entry System, as described below.

So long as Cede & Co., as nominee of DTC, is the registered owner of the 2021 Bonds, the Beneficial Owners of the 2021 Bonds will not receive or have the right to receive physical delivery of the 2021 Bonds, and references herein to the Bondholders or Owners or registered owners of the 2021 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2021 Bonds.

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

Purchases of the 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of a 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2021 Bonds, except in the event that use of the book-entry system for the 2021 Bonds is discontinued.

To facilitate subsequent transfers, all 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to which accounts such 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2021 Bonds may wish to ascertain that the nominee holding the 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2021 Bonds of a particular series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2021 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co. consenting or voting right to those Direct Participants to whose accounts 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by the Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Trustee, the University or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the University or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2021 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

So long as Cede & Co. is the registered owner of the 2021 Bonds, as nominee of DTC, references herein to the bondholders or registered owners of the 2021 Bonds means Cede & Co., not the Beneficial Owners of the 2021 Bonds.

THE AUTHORITY, THE UNIVERSITY, THE TRUSTEE AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE 2021 BONDS (I) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE 2021 BONDS, OR (II) CONFIRMATION OF OWNERSHIP INTERESTS IN THE 2021 BONDS, OR (III) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE AUTHORITY, THE UNIVERSITY, THE TRUSTEE OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE 2021 BONDS WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (II) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF, OR INTEREST ON, ANY 2021 BONDS, (III) THE DELIVERY OF ANY NOTICE BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2021 BONDS, OR (V) ANY OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

Discontinuation of Book-Entry Only System

DTC may determine to discontinue providing its service with respect to the 2021 Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

SECURITY FOR THE 2021 BONDS

The 2021 Bonds are secured by (i) the funds and accounts established under the Indenture (other than the Debt Service Reserve Fund and the Rebate Fund) and all moneys and investments held therein, and (ii) the pledge and assignment to the Trustee of all of the rights of the Authority under the Loan Agreement (except for the Authority's right to payment of certain fees and expenses and to indemnification), and all loan payments and other payments, revenues and receipts receivable by the Authority thereunder. Pursuant to the Loan Agreement, the University will be required to make payments to the Trustee (as the Authority's assignee) in amounts sufficient to pay the principal or redemption price of and interest on the 2021 Bonds. The Loan Agreement will be a general obligation of the University, secured by a security interest (granted pursuant to the Loan Agreement) in the University's Gross Revenues.

The brief descriptions of the various documents set forth below and the summaries set forth in Appendix C hereto do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions thereof. The summaries of certain provisions of and references to the Indenture and the Loan Agreement are qualified in their entirety by reference to such documents, and the descriptions herein of the 2021 Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the Indenture. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights. Copies of the Indenture and the Loan Agreement may be obtained from the Trustee or the Underwriter.

Limited Obligations of the Authority

THE 2021 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE (AS DEFINED IN THE INDENTURE). NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE 2021 BONDS, NOR SHALL THE 2021 BONDS BE OR BE DEEMED GENERAL OBLIGATIONS OF THE AUTHORITY OR OBLIGATIONS OF THE COMMONWEALTH OF PENNSYLVANIA OR OF ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

The Indenture

The 2021 Bonds are to be issued pursuant to the Indenture and, together with the Prior Bonds and any Additional Bonds which may be issued from time to time under the Indenture, will be equally and ratably secured thereby; provided, however, that the 2021 Bonds and the Prior Bonds shall not be secured by the Debt Service Reserve Fund. The Debt Service Reserve Fund may or may not secure any Additional Bonds that are issued under the Indenture as shall be set forth in the supplemental indenture to be executed in connection with the issuance of such Additional Bonds. The Indenture provides that all Bonds issued thereunder shall be special limited obligations of the Authority, payable solely from and secured solely by the payments made by the University pursuant to the Loan Agreement and the funds and accounts (except the Debt Service Reserve Fund (in the case of the 2021 Bonds, the Prior Bonds and any Additional Bonds not secured by the Debt Service Reserve Fund as set forth in the supplemental indenture to be executed in connection with the issuance of such Additional Bonds) and the Rebate Fund) established under the Indenture. As security for its obligations under the Indenture, the Authority will pledge to the Trustee its rights under the Loan Agreement, including its rights to receive the payments to be made by the University thereunder (except for payments with respect to administrative fees and expenses of the Authority and indemnification of the Authority by the University), all funds and accounts (except the Rebate Fund) held by the Trustee under the Indenture and all income derived from the investment of such funds.

Pursuant to the Indenture, the Trustee has established a Project Fund, Revenue Fund, Bond Fund and Redemption Fund as security for the 2021 Bonds (and the Prior Bonds and any Additional Bonds). The Debt Service Reserve Fund may or may not serve as security for any Additional Bonds as set forth in the applicable supplemental indenture to be executed in connection with the issuance of such Additional Bonds. Amounts paid by the University under the Loan Agreement will be deposited in the Revenue Fund and, except for amounts required to pay administrative fees and expenses, will be transferred therefrom to the Bond Fund, when required, to pay the principal or redemption price of (upon maturity or mandatory redemption) and interest on the 2021 Bonds and other Bonds. The redemption price of the 2021 Bonds (upon optional or extraordinary redemption) shall be paid from moneys deposited in the Redemption Fund for such purpose.

No Debt Service Reserve Fund for 2021 Bonds

The 2021 Bonds are **not** secured by the Debt Service Reserve Fund, and no funds will be on deposit in the Debt Service Reserve Fund as of the date of issuance of the 2021 Bonds. In connection with the issuance of Additional Bonds, the applicable supplemental indenture executed in connection with the issuance of such Additional Bonds may require the deposit of funds in the Debt Service Reserve Fund to secure such Additional Bonds. The Indenture provides that amounts paid with respect to Bonds secured by the Debt Service Reserve Fund from amounts on deposit in the Debt Service Reserve Fund shall be deemed to be due or overdue for purposes of the ratable application of amounts received by the Trustee pursuant to the exercise of remedies under the Indenture. See also Appendix C hereto.

The Loan Agreement

The Authority will loan the proceeds of the 2021 Bonds to the University pursuant to the Loan Agreement. The Loan Agreement will be a general obligation of the University, under which the University will be required to make payments to the Trustee in amounts necessary to provide for the payment of principal or redemption price of and interest on the 2021 Bonds (and the Prior Bonds and any Additional Bonds) and, from time to time, additional payments in amounts necessary to make up deficiencies in the funds established under the Indenture and to provide for certain other payments required by the Indenture. The Authority will assign its rights under the Loan Agreement (except as described above) to the Trustee for the benefit of the Bondholders.

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

No Mortgage for 2021 Bonds

The University's obligations with respect to the 2021 Bonds are **not** secured by a mortgage with respect to any part of the University's campus or other real property of the University or a lien or security interest in any personal property of the University other than its Gross Revenues. Except as otherwise provided in the Loan Agreement, no lien may be granted to secure Long Term Indebtedness of the University unless a lien of equal or superior rank and priority is granted in favor of the Trustee for the benefit of the holders of all Bonds issued and Outstanding under the Indenture. See "Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE – THE LOAN AGREEMENT – ADDITIONAL INDEBTEDNESS – Security for Indebtedness".

ISSUANCE OF ADDITIONAL BONDS UNDER INDENTURE AND OTHER INDEBTEDNESS

Upon compliance with the applicable provisions set forth in the Indenture, the Authority may, at the request of the University, issue Additional Bonds secured equally and ratably with the Prior Bonds and the 2021 Bonds. Indebtedness other than the Prior Bonds, the 2021 Bonds and Additional Bonds may be incurred by the University under the terms and conditions set forth in the Loan Agreement and may be secured by properties and revenues of the University as provided therein. The Loan Agreement permits the grant of liens on Gross Revenues on a parity with or subordinate to the lien granted under the Loan Agreement, subject to the terms of the Loan Agreement. Except as otherwise provided in the Loan Agreement, no lien may be granted to secure Long Term Indebtedness of the University unless a lien of equal or superior rank and priority is granted in favor of the Trustee for the benefit of the holders of all Bonds issued and Outstanding under the Indenture. For further information related to the issuance of Additional Bonds and the incurrence of other indebtedness by the University, see Appendix C hereto.

PLAN OF FINANCE

The 2021 Bonds are being issued to provide funds, together with other available funds, to finance the 2021 Project consisting of the New Money Project and the Refunding Project. The University has requested that the Authority undertake a project for the benefit of the University consisting of: (i) renovation of the Academic Center North building that will house the physical therapy, occupational therapy, speech-language pathology and physician's assistant programs; (ii) renovations of other campus locations for departments displaced or otherwise impacted by the Academic Center North renovation; (iii) and the construction, re-construction, renovation and/or equipping of additional facilities for University

purposes; (iv) the funding of any necessary reserves and the payment of the costs of issuance of tax-exempt bonds (the “New Money Project”).

The University has also requested that the Authority undertake a project for the benefit of the University consisting of the following components: (i) the advance refunding of all or a portion of the Authority’s outstanding 2013 Bonds; (ii) the advance refunding of all or a portion of the Authority’s outstanding 2013A Bonds; and (iii) the funding of any necessary reserves and the payment of the costs of issuance of taxable bonds (the “Refunding Project”, and together with the New Money Project, the “2021 Project”).

Simultaneously with the issuance of the 2021 Bonds, the Authority, the Trustee and the University will enter into an Escrow Deposit Agreement (the “Escrow Deposit Agreement”) to provide for the advance refunding of all or a portion of the outstanding \$11,980,000 principal amount of the 2013 Bonds and all or a portion of the outstanding \$45,080,000 principal amount of the 2013A Bonds (collectively, the “Bonds to be Refunded”). A portion of the proceeds of the 2021B Bonds, together with certain funds held under the Indenture, will be held as uninvested cash and/or used to purchase non-callable Government Obligations (as defined in the Indenture), the maturing principal of and interest on which, together with uninvested cash, if any, held under the Escrow Deposit Agreement, will be sufficient to provide for: (i) the payment of the principal of and interest due on the Bonds to be Refunded, as the same becomes due and payable, to and including July 15, 2023; and (ii) the redemption on July 15, 2023 (the “Redemption Date”) of the remaining outstanding principal of the Bonds to be Refunded at a redemption price of 100% of the principal amount thereof. Upon making such deposit under the Escrow Deposit Agreement on the date of the issuance of the 2021 Bonds, the Bonds to be Refunded will no longer be outstanding under the Indenture, and the payment obligations of the University with respect thereto will be released and discharged.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the 2021 Bonds and other available funds are expected to be applied in substantially the manner described below following issuance of the 2021 Bonds.

<u>Sources of Funds:</u>	2021A Bonds	2021B Bonds	Total
Par Amount of 2021 Bonds	\$26,130,000.00	\$55,060,000.00	\$81,190,000.00
Original Issue Premium	<u>4,154,228.50</u>	--	<u>4,154,228.50</u>
Total Sources of Funds	<u>\$30,284,228.50</u>	<u>\$55,060,000.00</u>	<u>\$85,344,228.50</u>
<u>Uses of Funds:</u>			
Deposit to Project Fund	\$30,000,000.00	--	\$30,000,000.00
Advance Refunding of Bonds to be Refunded	--	\$54,490,479.77	54,490,479.77
Costs of Issuance ¹	<u>284,228.50</u>	569,520.23	<u>853,748.73</u>
Total Uses of Funds	<u>\$30,284,228.50</u>	<u>\$55,060,000.00</u>	<u>\$85,344,228.50</u>

¹ Includes the fees and expenses of Co-Bond Counsel, the Authority, Underwriter’s discount, Underwriter’s Counsel, Trustee, Verification Agent and rating agency fees, auditing fees, printing expenses and miscellaneous fees.

DEBT SERVICE REQUIREMENTS

The following table sets forth the amount required to be paid by the University during each twelve-month period ending June 30 of the years shown for the payment of the interest on any Prior Bonds and the 2021 Bonds payable on January 15 and July 15 of such year and the principal and sinking fund installments of any Prior Bonds and 2021 Bonds payable on July 15 of such year and the aggregate payments to be made during each such period with respect thereto.

Debt Service on Outstanding Bonds		<u>2021A Bonds</u>			<u>2021B Bonds</u>			Total Bond Debt Service Obligations
<u>Fiscal Year</u>	<u>Indebtedness**</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2022	\$3,300,725	-	\$ 516,453	\$ 516,453	-	\$ 872,237	\$ 872,237	\$4,689,415
2023	3,298,475	-	1,027,200	1,027,200	\$ 615,000	1,732,185	2,347,185	6,672,860
2024	3,291,475	-	1,027,200	1,027,200	625,000	1,725,591	2,350,591	6,669,266
2025	3,291,294	-	1,027,200	1,027,200	635,000	1,716,780	2,351,780	6,670,273
2026	3,282,975	-	1,027,200	1,027,200	645,000	1,705,840	2,350,840	6,661,015
2027	1,317,438	-	1,027,200	1,027,200	2,645,000	1,670,765	4,315,765	6,660,402
2028	1,311,538	-	1,027,200	1,027,200	2,705,000	1,609,735	4,314,735	6,653,473
2029	1,304,638	-	1,027,200	1,027,200	2,775,000	1,542,479	4,317,479	6,649,317
2030	1,301,638	-	1,027,200	1,027,200	2,850,000	1,468,932	4,318,932	6,647,770
2031	1,302,338	-	1,027,200	1,027,200	2,930,000	1,389,755	4,319,755	6,649,293
2032	1,291,838	-	1,027,200	1,027,200	3,015,000	1,304,591	4,319,591	6,638,628
2033	1,285,463	-	1,027,200	1,027,200	3,110,000	1,207,975	4,317,975	6,630,638
2034	1,286,875	-	1,027,200	1,027,200	3,215,000	1,101,589	4,316,589	6,630,664
2035	1,275,831	-	1,027,200	1,027,200	3,920,000	981,578	4,901,578	7,204,609
2036	1,273,625	-	1,027,200	1,027,200	4,050,000	847,523	4,897,523	7,198,348
2037	1,269,625	-	1,027,200	1,027,200	4,190,000	708,926	4,898,926	7,195,751
2038	1,438,625	-	1,027,200	1,027,200	4,170,000	560,763	4,730,763	7,196,588
2039	1,440,125	-	1,027,200	1,027,200	4,315,000	402,687	4,717,687	7,185,012
2040	-	\$1,205,000	1,009,125	2,214,125	860,000	306,277	1,166,277	3,380,402
2041	-	295,000	986,625	1,281,625	1,840,000	255,976	2,095,976	3,377,601
2042	-	300,000	977,700	1,277,700	1,910,000	186,114	2,096,114	3,373,814
2043	-	315,000	966,900	1,281,900	1,980,000	113,643	2,093,643	3,375,543
2044	-	325,000	954,100	1,279,100	2,060,000	38,378	2,098,378	3,377,478
2045	-	2,565,000	896,300	3,461,300				3,461,300
2046	-	2,670,000	791,600	3,461,600				3,461,600
2047	-	2,775,000	682,700	3,457,700				3,457,700
2048	-	2,890,000	569,400	3,459,400				3,459,400
2049	-	3,010,000	451,400	3,461,400				3,461,400
2050	-	3,130,000	328,600	3,458,600				3,458,600
2051	-	3,260,000	200,800	3,460,800				3,460,800
2052	-	3,390,000	67,800	3,457,800				3,457,800
Total*	\$33,564,538	\$26,130,000	\$26,861,903	\$52,991,903	\$55,060,000	\$23,450,318	\$78,510,318	\$165,066,759

* Totals may not add due to rounding.

** Excludes debt service on the Bonds to be Refunded which are expected to be refunded from a portion of the proceeds of the 2021B Bonds.

BONDHOLDERS' RISKS

General. The 2021 Bonds are limited obligations of the Authority and are payable solely from payments made pursuant to the Loan Agreement and from certain other funds held by the Trustee pursuant to the Indenture. No representation can be made or assurance given to the effect that the University will generate sufficient revenues to meet the University's payment obligations under the Loan Agreement. Future legislation, regulatory actions, economic conditions, changes in the number of students in attendance at the University or other factors could adversely affect the University's ability to generate such revenues. Neither the Underwriter nor the Authority has made any independent investigation of the extent to which any of such factors may have an adverse impact on the revenues of the University.

Tuition Revenue. Tuition revenue is the primary revenue source for the University, comprising approximately 77% of its Gross Revenues in fiscal year 2020. While the University has been able to demonstrate a high level of student demand for its academic programs at current tuition levels, there is no assurance that it will be able to continue to do so throughout the term of the 2021 Bonds. Demand for attendance at the University may be subject to factors beyond its control, such as general economic and demographic conditions, funding levels at competing public and private institutions and public and private funding of programs of financial aid. The University currently subsidizes a number of students with scholarship and loan programs which are subject to reduction and limitations. In addition, the academic reputation of the University is a critical factor in assuming continued demand for attendance.

Faculty. The ability of the University to attract and retain faculty members with outstanding credentials is an important factor contributing to the University's academic reputation. Approximately 59% of the University's faculty is tenured. Therefore, should any reduction of programs be necessitated by economic conditions, the University will only be able to cut back on faculty in accordance with specific University procedures.

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

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

In the event of bankruptcy of the University, the security interests granted under the Loan Agreement would not extend to the University's post-petition revenues or other property acquired post-petition, except to the extent that such revenues or other property are proceeds of the pre-petition collateral. In addition, transfers of property made by the University at a time that it was insolvent in payment of or to secure an antecedent debt, including the payment of debt or the granting of any collateral, including receivables and Gross Revenues, on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of the case under the Bankruptcy Code may be subject to avoidance as preferential transfers. Under certain circumstances a court may have the power to direct the use of Gross Revenues to meet expenses of the University before paying debt service on the 2021 Bonds.

In a proceeding under Chapter 11 of the United States Bankruptcy Code, the University could file a plan of reorganization which modifies the rights of creditors generally or the rights of any class of creditors, secured or unsecured. The plan, when confirmed by the court, would bind all creditors and discharge all claims against the debtor. No plan may be confirmed unless, among other conditions, the plan is in the best interests of creditors, is feasible and has been accepted by the requisite class(es) of claimants required by the Bankruptcy Code. A class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan have accepted the plan. Even if the plan is not so accepted (but if all other conditions to confirmation under the Bankruptcy Code have been satisfied), it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting claims or interests impaired thereunder and does not discriminate unfairly. Such an approved plan could limit recoveries by the holders of the 2021 Bonds and/or reduce the collateral pledged as security therefor.

Covenant to Maintain Tax-Exempt Status of the 2021A Bonds. The tax-exempt status of the 2021A Bonds is based on the compliance by the Authority and the University with certain covenants contained in the Indenture and the Loan Agreement related to the requirements of the Internal Revenue Code of 1986, as amended. These covenants relate generally to restrictions on the use of facilities financed with proceeds of the 2021A Bonds, arbitrage limitations, rebate of certain excess investment earnings to the federal government, and restrictions on the amount of issuance costs financed with the proceeds of the 2021A Bonds. Failure to comply with such covenants could cause interest on the 2021A Bonds to become subject to federal income taxation retroactively to the date of issuance of the 2021A Bonds.

The 2021A Bonds are not subject to redemption or repurchase, nor are the rates of interest subject to adjustment, in the event that interest on the 2021A Bonds becomes taxable.

Enforceability of Remedies. The remedies available to the holders of the 2021 Bonds upon an Event of Default under the Indenture and the Loan Agreement are in many respects dependent upon judicial action, which is subject to discretion or delay. Under existing law and judicial decisions, such as the Federal Bankruptcy Code, the remedies specified in the Indenture and the Loan Agreement may not be readily available or may be limited. A court may also decide not to order specific performance of creditors' rights.

The various legal opinions to be delivered concurrently with the original delivery of the 2021 Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other laws or legal or equitable principles affecting creditors' rights.

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

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

Impact of COVID-19 Pandemic on the University's Operations and Revenues. The outbreak of COVID-19, a respiratory disease caused by a novel strain of coronavirus that emerged in late 2019, has been characterized as a pandemic (the "Pandemic") by the World Health Organization. On March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. The continued spread of COVID-19 and impact on social interaction, travel, economies and financial markets may adversely affect the University's operations and financial condition.

On February 27, 2020, the University issued a statement to the campus community regarding the spread of COVID-19 overseas and noting key resources. On March 19, 2020, the Governor of Pennsylvania issued an order to close all non-essential businesses, including educational institutions. On March 23, 2020, the Governor of Pennsylvania enacted a "stay at home order" for all individuals residing in certain counties for a period of time, which orders were subsequently amended and updated several times, including to expand the orders to all residents of the Commonwealth of Pennsylvania. The University responded by pausing all in-person classes on March 12, 2020 and resumed those classes remotely on March 19, 2020. By March 15, 2020, all on-campus residential students who could go home were required to move out of the residence halls. The University was fully remote the summer of 2020 and started a modest return to campus in fall 2020. While the vast majority of employees continued to work remotely, the University welcomed back a small number of students into single rooms in the residence halls. A limited number of classes, labs, and clinicals were also able to resume in-person with strict safeguards. The stay at home order was ultimately lifted in Pennsylvania on June 4, 2020 but there can

be no assurances that any prior orders will not be partially or fully reinstated or that new orders will not be issued at any time in the future.

The University welcomed approximately 500 residential students and approximately 25% of classes in-person for the spring 2021 semester. University leadership has been actively monitoring the public health crisis and following guidelines from the Centers for Disease Control and Prevention in connection with the reopening of the University and the University's pandemic response to date. However, the University's operations have been and continue to be significantly impacted by the outbreak and potential spread of COVID-19. Significant potential risks to the University in connection with the ongoing Pandemic include:

- Adverse impact on enrollment in Fall 2021 and thereafter.
- Adverse impact on demand for student housing in Fall 2021 and thereafter.
- Adverse impact on the value of the University's investments.
- Adverse impact on the ability or willingness of donors (in the event of future market declines or sustained unemployment) to support the University at historical levels of annual and capital giving.

The full extent of the adverse impact to the University's financial condition for the current fiscal year or for any subsequent fiscal years is not currently known. See "Response to the Covid-19 Pandemic" in Appendix A for additional information.

Developments with respect to COVID -19 continue to occur at a rapid pace, including on a daily basis, and the spread of the outbreak may continue to fluctuate in severity for an unknown period of time. The severity of the transmission of the virus on or near the University's campuses in the current or any subsequent academic year could require additional action to mitigate risk which could further interrupt operations of the University, up to and including reinstituting a full physical closing of the University's campus for an undetermined length of time. Additional or future closures could further materially adversely affect the revenues and operations of the University. In addition to measures taken voluntarily by the University in response to the outbreak, the University and its faculty, staff and students may be required to take actions by local, State or federal health or other governmental agencies, the nature and effect on the University of which cannot be predicted by management of the University.

The current spread of COVID-19 is altering the behavior of businesses and people in a manner that has had or may have negative effects on economic activity, and therefore adversely affect the financial condition of the University, either directly or indirectly. In addition, financial markets have experienced significant volatility during the COVID-19 outbreak. The spread of the virus could continue to adversely impact local, state and national economies, which further impacts, while currently unknown, could adversely affect revenues of the University.

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

- (1) The continued ability and willingness of current and future undergraduate and graduate students of the University, and their families, to be able to afford the tuition and costs of attending the University.
- (2) Decreases in student retention and graduation rates.
- (3) Adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.
- (4) Increased costs and decreased availability of public liability insurance.
- (5) Changes in the demand for higher education in general or for programs offered by the University in particular.
- (6) Cost and availability of energy.
- (7) High interest rates, which could strain cash flow or prevent borrowing for needed capital expenditures.

- (8) Decrease in student loan funds or other aid that permits many students the opportunity to pursue higher education.
- (9) An increase in the cost of health care benefits, retirement plans, or other benefit packages offered by the University to its employees and retirees.
- (10) A significant decrease in the value of the University's investments caused by market or other external factors.
- (11) Unknown litigation.
- (12) Reduction of funding support from donors or other external sources.
- (13) Safety and security incidents including data breaches.
- (14) Costs associated with regulatory compliance.
- (15) Factors that may adversely affect the University's reputation and image.
- (16) The occurrence of natural disasters, including floods and hurricanes, which might damage the facilities of the University, interrupt service to the facilities or otherwise impair the operation and ability of the facilities to produce revenue.

TAX MATTERS

2021A Bonds – Federal Tax Matters

In the opinion of Co-Bond Counsel, interest on the 2021A Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the 2021A Bonds, assuming the accuracy of the certifications of the Authority and the University and continuing compliance by the Authority and the University with the requirements of the Internal Revenue Code of 1986 (the "Code"). Interest on the 2021A Bonds is not an item of tax preference for purposes of federal alternative minimum tax. Co-Bond Counsel expresses no opinion regarding other Federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2021A Bonds.

The 2021A Bonds were offered at a premium ("Original Issue Premium") over their principal amount. For federal income tax purposes, Original Issue Premium is amortizable periodically over the term of a 2021A Bond through reductions in the holder's tax basis for the 2021A Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Holders should consult their tax advisers for an explanation of the amortization rules.

2021B Bonds – Federal Tax Matters

In the opinion of Co-Bond Counsel, interest on the 2021B Bonds is not excludable from gross income for federal income tax purposes. Interest on the 2021B Bonds is taxable as ordinary income for federal income tax purposes at the time the interest accrues or is received in accordance with a bondholder's method of accounting for federal income tax purposes. Prospective purchasers of 2021B Bonds who are not United States persons, as defined for federal tax purposes, may be subject to special rules and should consult their tax advisers.

2021 Bonds – State Tax Matters

In the opinion of Co-Bond Counsel, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date of initial delivery of the 2021 Bonds, interest on the 2021 Bonds is exempt from Pennsylvania personal income tax and corporate net income tax. The 2021 Bonds and the interest thereon may be subject to state or local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws. Co-Bond Counsel will express no other opinion regarding other tax consequences with respect to the 2021 Bonds, including whether or not interest on the 2021 Bonds is subject to taxation under the laws of any jurisdiction other than the Commonwealth of Pennsylvania.

The proposed form of the opinions of Co-Bond Counsel is included herein as Appendix D.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the 2021 Bonds will be passed upon by Ballard Spahr LLP, and Andre C. Dasent, P.C., each of Philadelphia, Pennsylvania, as Co-Bond Counsel. Certain legal matters will be passed upon for the Authority by Barley Snyder LLP, Lancaster, Pennsylvania; for the University by Lamb, McErlane, P.C., Newtown Square, Pennsylvania; and for the Underwriter by Chiesa Shahinian Giantomasi PC, West Orange, New Jersey.

ABSENCE OF LITIGATION

The Authority

There is no litigation of any nature pending or, to the Authority's knowledge, threatened against the Authority at the date of this Official Statement to restrain or enjoin the issuance, sale, execution or delivery of the 2021 Bonds, or in any way contesting or affecting the validity of the 2021 Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or the security provided for the payment of the 2021 Bonds or the existence or powers of the Authority.

The University

There is no action, suit, proceeding or investigation pending against the University or, to the University's knowledge, threatened which might materially adversely affect the business or properties or financial condition of the University, or in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Loan Agreement, or any other documents executed by the University, the performance by the University of any of its obligations thereunder, or the consummation of any of the transactions contemplated in connection with the issuance and sale of the 2021 Bonds. See "APPENDIX A – Litigation".

RATINGS

S&P Global Ratings, a division of S&P Global Inc. ("S&P") and Fitch Ratings ("Fitch") have assigned the 2021 Bonds municipal bond ratings of "BBB" (Outlook: stable) and "A-" (Outlook: stable), respectively. Any explanation of the significance of either such rating may only be obtained from the rating agency furnishing the same. There is no assurance that ratings initially assigned to the 2021 Bonds will be maintained for any given period of time or that such ratings may not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Any downward change in or the withdrawal of such rating may have an adverse effect on the marketability or the price at which the 2021 Bonds may be resold by the holder of such 2021 Bonds.

The University has not undertaken to maintain any particular rating on the 2021 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore P.C., certified public accountants and consultants, Denver, Colorado (the "Verification Agent") will deliver a report dated as of the closing date for the 2021 Bonds, verifying the accuracy of the mathematical computations of the adequacy of the maturing principal amount of non-callable Government Obligations and the interest income to be realized thereon and/or uninvested cash, if any, to pay the interest due on the Bonds to be Refunded from the deposit of funds with the Escrow Agent pursuant to the terms and provisions of the Escrow Deposit Agreement, on and, as applicable, prior to their call date, and to redeem the Bonds to be Refunded on the Redemption Date. Such verification will

be based upon information supplied to the Verification Agent by the Underwriter. The Verification Agent will express no opinion on the assumptions provided to it.

FINANCIAL STATEMENTS

The audited financial statements of the University for the fiscal years ended June 30, 2020 and 2019 are included in Appendix B to this Official Statement. The audited financial statements of the University for the fiscal years ended June 30, 2020 and 2019 have been audited by CliftonLarsonAllen LLP, independent auditors, as stated in their report appearing therein. The auditor has not performed any procedures with respect to such financial statement information in connection with the issuance of the 2021 Bonds.

UNDERWRITING

The 2021 Bonds are being purchased by the Underwriter, subject to terms and conditions set forth in a Bond Purchase Contract between the Authority and the Underwriter and approved by the University. The aggregate purchase price payable by the Underwriter for the 2021 Bonds is \$84,786,615.55. This price represents the par amount of the 2021 Bonds, plus original issue premium on the 2021A Bonds of \$4,154,228.50, less an underwriter's discount of \$557,612.95. The Bond Purchase Contract provides, among other things, that the Underwriter will purchase all of the 2021 Bonds, if any are purchased, and, in accordance with its terms, the University agrees to indemnify the Underwriter and the Authority against certain losses, claims, damages and liabilities arising out of incorrect statements or information contained in, or information omitted from the Preliminary Official Statement or the Official Statement.

The initial public offering prices for the 2021 Bonds can be changed from time to time by the Underwriter without any requirement of prior notice. The Underwriter reserves the right to join with other dealers in offering the 2021 Bonds to the public. 2021 Bonds may be offered and sold to other dealers (including 2021 Bonds for deposit into investment trusts) at prices lower than the initial public offering prices for the 2021 Bonds.

BofA Securities, Inc., underwriter of the 2021 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2021 Bonds.

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

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

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

The University intends to use a portion of the proceeds from the 2021B Bonds to refund the Bonds to be Refunded. To the extent the Underwriter or an affiliate thereof is an owner of Bonds to be Refunded, the Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the 2021B Bonds contemplated herein in connection with such Bonds to be Refunded being redeemed by the University.

CONTINUING DISCLOSURE

The Underwriter and the University have determined that no financial or operating data concerning the Authority is material to an evaluation of the offering of the 2021 Bonds, or any decision to purchase, hold or sell 2021 Bonds, and the Authority will not provide any such information. In order to enable the Underwriter to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “Rule”), the University will enter into a continuing disclosure agreement (the “Continuing Disclosure Agreement”) with the Trustee for the benefit of the registered owners from time to time of the 2021 Bonds to annually send certain financial information and operating data to the Municipal Securities Rulemaking Board (the “MSRB”) via its EMMA system, and to provide notice to the MSRB, via EMMA, of certain events, pursuant to the requirements of the Rule. The Authority will have no liability to the owners of 2021 Bonds or any other person with respect to the Rule. See “Appendix E – Form of Continuing Disclosure Agreement.”

In connection with the Prior Bonds, the University entered into continuing disclosure undertakings (the “Prior Undertakings”) pursuant to which it agreed to annually send certain financial information and operating data to the MSRB, and to provide notice to the MSRB of certain events, pursuant to the requirements of the Rule. In connection with its Prior Undertakings, the University notes the following: As required pursuant to the Prior Undertakings, the University timely provided the Trustee with its annual financial and operating data (“the FY 2020 Annual Information”) and its audited financial statements (the “FY 2020 Audit”) for its fiscal years ended June 30, 2020 and 2019. The Trustee posted the FY 2020 Annual Information, but failed to post the FY 2020 Audit to EMMA. Upon being made aware of this failure, on or about May 18, 2021, the University notified the Trustee, and the Trustee uploaded the FY 2020 Audit to EMMA. In addition, on January 9, 2017, S&P changed the University’s long-term rating to BBB from BBB+. The University did not file an event notice with regard to such rating change by S&P, however such rating change was posted on S&P’s website and available from that source.

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

A failure by the University to comply with the Continuing Disclosure Agreement will not constitute a default or Event of Default under the Indenture or the Loan Agreement, and the holders of the 2021 Bonds will have only the remedies set forth in the Continuing Disclosure Agreement itself.

The Authority is not a party to the Continuing Disclosure Agreement and has no responsibility or liability for the University’s obligations or disclosures under the Continuing Disclosure Agreement.

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MISCELLANEOUS

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

This Official Statement is not to be construed as a contract or agreement between the Authority and/or the University and the purchasers or owners of any of the 2021 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. No representation is made that any of the opinions or estimates will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the University since the date hereof or the date as of which particular information is given, if earlier.

The distribution of this Official Statement has been duly authorized by the Authority and the University. The Authority has not assisted in the preparation of this Official Statement, except for the statements under the sections captioned "THE AUTHORITY" and "ABSENCE OF LITIGATION" (but only as it relates to the Authority) herein and, except for those sections, the Authority is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the 2021 Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the 2021 Bonds. Accordingly, except as aforesaid, the Authority assumes no responsibility for the disclosures set forth in this Official Statement.

PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY

By: /s/ Eric Gutshall
Eric Gutshall
Executive Director

WIDENER UNIVERSITY, INC.

By: /s/ Joseph J. Baker
Joseph J. Baker
Senior Vice President for Administration and
Finance

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APPENDIX A

Widener University

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WIDENER UNIVERSITY

History

Widener University is a private, metropolitan university that connects curricula to societal issues through civic engagement. The University provides a unique combination of liberal arts and professional education, offering powerhouse programs, faculty mentorship, and hands-on experiences that put students on the inside track to success. Dynamic teaching, active scholarship, personal attention, applied leadership, extensive career preparation, and experiential learning are key components of the Widener experience.

Approximately 6,150 undergraduate and graduate students study in the College of Arts and Sciences, School of Business Administration, School of Engineering, College of Health and Human Services, School of Nursing, Delaware School of Law, Commonwealth School of Law, and the Center for Continuing Studies. Widener offers more than 140 programs of study leading to associate's, bachelor's, master's, and doctoral degrees and specialized certificates online and at its three campuses in Chester, Pennsylvania (the "Main Campus"); Harrisburg, Pennsylvania; and Wilmington, Delaware. Widener is chartered in both Pennsylvania and Delaware and is accredited university-wide by the Middle States Commission on Higher Education (MSCHE), a subsection of the Middle States Association of Colleges and Schools. The individual college and schools hold additional specialized accreditations for their various programs.

Widener University will celebrate its 200th anniversary this year. It began as the Bullock School for Boys in Wilmington, Delaware, in 1821. By 1859, the school had become a military academy. In 1862, it moved to Pennsylvania and changed its name to Pennsylvania Military Academy (PMA). In 1867, it purchased 20 acres of land in Chester, Pennsylvania, on the site of what is now the 110-acre Main Campus. In 1882, PMA changed its name to Pennsylvania Military College (PMC). For many years afterward, PMC was known as the West Point of Pennsylvania.

By the mid-1960s, enrollment in military schools across the nation had declined. To increase enrollment, PMC instituted Penn Morton College, a parallel, coeducational counterpart that admitted women and civilians. The two schools eventually merged to become PMC Colleges (Penn Morton College and Pennsylvania Military College).

In 1972, the corps of cadets was disbanded, and PMC became Widener College, which achieved university status in 1979. While no longer a military school, Widener still offers a robust ROTC program, has been named a Military Friendly School, and is designated a Yellow Ribbon institution. Widener is the coordinating leader for seven other ROTC partnership universities in the area.

Widener acquired its 32-acre Delaware Campus in suburban Wilmington in 1976, which currently houses the University's Delaware School of Law. Opened in the fall of 1989, Widener's Harrisburg Campus houses the University's Commonwealth School of Law, as well as some School of Nursing programs.

The most significant transformation of Widener University has been happening recently. The Widener of today is almost unrecognizable from the Widener of 2000. Over the past 20 years, the

University has invested more than \$225 million in capital improvements, including new residential housing, state-of-the-art academic buildings, and sports and wellness facilities, as well as numerous renovations and technological upgrades throughout all three campuses.

Since the turn of the 21st century, Widener has emerged as one of the nation's leading metropolitan universities. Strong leadership, shared vision, a global perspective, and an empowered university community have combined to position Widener as a university on the move and one to watch internationally, nationally, and regionally. Widener's, top-ranked programs make full use of the numerous interdisciplinary opportunities at the University. Comprised of Physical Therapy, Occupational Therapy, Graduate Clinical Psychology, Social Work, Education, and Human Sexuality Studies, the College of Health and Human Services works closely with the Schools of Nursing, Engineering, and Business Administration. As a result, students gain knowledge in their specific fields of study while also learning to collaborate with students and professionals in other fields, enabling them to provide more holistic, improved care for individuals, families, and communities. These partnerships give Widener students the leading edge and place them on the inside track to professional success.

A 21st century Widener education looks to the surrounding communities as a laboratory, and this is a win-win for all—partners, faculty, students, the community, and Widener. The University operates numerous clinics and centers on and around its campuses:

- Administrative Law Clinic
- Biofeedback Clinic & Certification Center
- Chester Community Clinic
- Child Development Center
- Consumer Law Clinic
- Delaware Civil Law Clinic
- Elder Law Clinic
- Environmental Law & Sustainability Center
- Environmental & Natural Resources Law Clinic
- Family Justice Clinic
- Neuropsychology Assessment Center
- Nursing Clinic
- Organizational Development Services
- Pennsylvania Criminal Defense Law Clinic
- Science Teaching Center
- Small Business Development Center
- Social Work Counseling Services
- Veterans Law Clinic
- Widener Intimacy, Sexuality, Education, and Relationships Clinic

These clinics and centers provide services at no cost or at reduced cost to indigent members of the local community who would otherwise be unable to afford them. In addition to staffing clinics, Widener's students tackle vexing problems in the local community through research projects and civic engagement work. For example, social work students mapped the lack of fresh food available in Chester and helped spur efforts to create a food co-op and one full-service grocery store.

Whether working in a clinic or center or engaging in research, Widener students gain valuable experience while filling a need and helping others. The result is a stronger education and stronger relationships with the community.

The student-run, interprofessional, pro bono Chester Community Clinic provides physical and occupational therapy and other treatments for uninsured and underinsured community members. The clinic, staffed by physical therapy, occupational therapy, clinical psychology, and social work students working together collaboratively and holistically under the mentorship of licensed therapists, is a model for other clinics. Being in an integrated clinic environment enables students to understand interdisciplinary care from different perspectives and gives them an advantage in the field after graduation.

The Small Business Development Center (SBDC) that Widener founded in 2007 is helping to grow small businesses in Chester. Widener's SBDC provides one-on-one consulting services and educational programs and seminars to small business owners and aspiring entrepreneurs in southeastern Pennsylvania. Last year, Widener's SBDC received the Pennsylvania Small Business Development Center Excellence and Innovation Award from the U.S. Small Business Administration.

Widener has extended educational opportunities to people of all ages, from children to older adults. When a group of senior citizens asked Widener to open an intellectual cooperative taught by mature adults for mature adults, the University agreed. In 2005, the Osher Lifelong Learning Institute began operations, and it now offers courses and programming on Widener's Main Campus in Chester, as well as at senior citizen facilities around the region. This successful venture, funded through a \$2 million grant from the Osher Foundation, serves the educational needs of the growing numbers of senior citizens and illustrates how Widener responds to the needs of its greater metropolitan area.

In 2006, to help meet the needs of the City of Chester's underperforming school system, the University created Pennsylvania's first university-based charter school, the Widener Partnership Charter School (WPCS). This incremental growth K–8 charter school fosters a holistic approach to education, equipping the next generation with skills and resources to succeed. The WPCS students are performing beyond their peers with a curriculum that includes arts, music, foreign language, and a consistent message that the students know by heart: "I can change the world." The charter school serves as an excellent training ground for Widener students by providing internships and other experiential opportunities. Graduates of WPCS who meet Widener's admission criteria during their high school years are eligible for generous grants of \$100,000 over four years to pursue their undergraduate education at Widener.

Widener consistently takes the initiative to partner with other organizations to leverage resources for maximum impact. Widener entered into a long-term ground lease with a local developer to build a new retail and housing facility across from the University. A bank, police substation, convenience store, loft apartments, hotel, and the University's bookstore comprise University Crossings, a \$50 million development that has transformed a main thoroughfare in Chester, as well as the University's border.

Widener has greatly expanded its dining options this past decade. The University renovated the Pride Café and opened Moe's Southwest Grill, Einstein Bros Bagels, Uno's Pizzeria and Grill, MacMorland Food Court, Good Uncle and Starbucks. Freshens Food Studio, Bento Sushi, and more are coming to Widener in 2021.

Increasingly, a Widener education is about global leadership. Widener encourages all of its students to partake in short- or long-term international study and makes numerous opportunities available. Students in various fields in the College of Health and Human Services work together to provide services to one of the largest orphanages in China. Undergraduate engineering students helped to bring electricity to a rural village in Panama, and undergraduate environmental science students have conducted research in the Amazon forest and worked with farmers in Costa Rica to encourage the growth of organic, sustainable, shade-grown coffee. The University has also established a greater global presence through partnerships with Chongqing Technology and Business University in China and Dongseo University in South Korea.

Leadership is another of the University's key values. Widener regularly invites nationally recognized leaders to the Main Campus to speak about pivotal leadership moments and share their wisdom with the Widener community. Recently, the University brought Disney's Duncan Wardle and Samsung's Terry Halvorsen to speak to the campus community.

Similarly, for the past ten years, Widener has co-sponsored the High School Leadership Awards with television station NBC 10. These awards recognize high school leaders throughout the Philadelphia metropolitan area. In 2012, there were 69 students recognized by their high schools; in 2021, there were 129. The honored students are invited to take part in a leadership experience at the University and receive a \$20,000 scholarship if they enroll at Widener.

Widener's success has earned it a reputation as a top-tier university, as designated by U.S. News & World Report. Payscale ranks Widener in the top 18 percent nationwide with an alumni mid-career salary of \$101,100. Edvocate ranked Widener among its 2020 Best Mid-Atlantic Colleges & Universities. And Niche.com named Widener a Best Value College in the Greater Philadelphia area.

Widener's transformation is yielding tangible results. For example, the University's College of Health and Human Services has grown significantly in the past decade into a center of excellence and influence, and that expansion reflects the growing emphasis on health and human service education and interdisciplinary learning at Widener. This collaborative approach, coupled with integrated leadership training and service learning, better prepares students in health-related disciplines for the connected yet diverse health care field and places them on the inside track to success.

Strategic Planning

In October 2019, Widener University embarked on a new strategy development process that is a model for other higher education institutions. Beginning in the summer of 2019, the University's leadership, along with the Board of Trustees, began to envision a new planning process that would result not in a checklist of operational goals and objectives, as is typical of strategic plans, but

rather would inspire innovation and provide a strategic advantage in the traditional higher education landscape.

Recognizing that strategy must undergird all that the University does, the President convened a Strategy Core Team. Members of this team were selected not because of their positions at the University, but because of their ability to think creatively and to challenge traditional assumptions.

Among the challenges the team explored as a foundation for strategy were:

- how to think about the mission, values and strategy as inclusive of all of the students, including graduate, adult and commuter, as well as traditional residential undergraduates;
- how to better serve an increasingly diverse student body;
- how to build on the University's strengths but not be limited by them;
- how to be both bold and at the same time true to the University's fundamental values;
- how to think about the importance of differentiation through strategic direction;
- how to determine the necessary level of saturation of any strategy across programs, operations, and the student experience.

The team engaged in extensive scenario planning, similar to minimum viable product development, to bring ideas to life and lift up the concepts that help to best position the University for long-term success. These scenarios were refined and then shared broadly with the campus community, faculty and staff governance and advisory bodies, and the Board of Trustees for feedback.

As the group neared the end of our process in spring 2020, a strategy was identified that focused on being the most agile and proactive University in responding to constituent and workforce needs. This aligns well with the Inside Track (to careers) brand and with the excellent national results in students securing high-paying jobs after graduation. Agility speaks to the need for higher education, and Widener in particular, to be poised to respond proactively to changing demographics and societal factors and enables us to take advantage of opportunities in a quick, decisive manner, ready to pivot in a rapidly changing landscape. Agility also entails a seamless experience, free of typical bureaucratic roadblocks, that makes it substantially easier to do business with the University and enables learners, as well as faculty and staff, to focus on what matters most – learning, knowledge generation, and personal development.

The resulting strategy, *Agility Experienced*, positions the University to adapt and thrive in a rapidly changing environment and to maintain a very positive trajectory. The next phase of the strategy is operationalizing—moving from idea to action. To that end, an inclusive framework has been built that will engage many stakeholders from across campus, link back to a central hub of dedicated and creative colleagues who will help to advance this work—the Strategy Idea Team.

With this strategy, we are confident that Widener University will be viewed as a national leader in strategy development and execution.

The Strategy Core Team also developed mission and values statements that align with the University's direction and purpose.

Mission Statement

Empowering our community of learners to discover and create better futures.

Core Values

- Respect
- Integrity
- Excellence

Governance

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

Officers

The officers of the Board of Trustees are as follows:

Paul S. Beideman, Chair

James J. Mack III, Vice Chair

Cynthia H. Sarnoski, PhD, Vice Chair

Eugene D. McGurk, Jr., Esq, Secretary

Nancy G. Hesse, Treasurer

John H. Tilelli, Jr., Past-Chair

Board of Trustees

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

Paul S. Beideman	President and CEO Avenue of the Arts, Inc. Chairman and CEO Associated Banc-Corp, retired Philadelphia, PA
Anthony R. Britton, Jr	Retired Managing Director RBS Global Banking and Markets Stamford, CT
Domenic C. Colasante	CEO & Co-Founder 2X LLC Newtown Square, PA
Evan Davis	Student Trustee
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Nancy G. Hesse	Healthcare Executive and Chief Nursing Officer Philadelphia, PA
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Antoinette Leatherberry	Retired Principal Deloitte & Touche LLP Philadelphia, PA
Samir Mehta	Chief Product Officer Wrench, Inc. Seattle, Washington
Patrick J. Murphy, Esq.	Chairman WorkMerk Former Under Secretary of the Army Former U.S. Congressman Philadelphia, PA

James J. Mack III	Partner EisnerAmper, LLP Philadelphia, PA
Eugene D. McGurk Jr., Esquire	Partner Raynes Lawn Hehmeyer Philadelphia, PA
Christian Nascimento	Vice President of Product Management Comcast Business Philadelphia, PA
Miguel O. Peña	President & CEO Tenex Technologies, LLC Wayne, PA
Catherine Pulos	Executive VP, Chief Operations Officer Wawa Wawa, PA
Louis Rodriguez Jr.	President and Founder Rodriguez Consulting LLC Philadelphia, PA
Cynthia H. Sarnoski, PhD	Retired Senior Vice President, Global Compliance & Quality Systems Pfizer Pharmaceuticals West Chester, PA
Min S. Suh, Esquire	Partner Obermayer Rebmann Maxwell & Hippel, LLP Philadelphia, PA
Richard L. P. Tan	Founder and President Pacific Millennium Group San Diego, CA
John H. Tilelli Jr.	General, U.S. Army (retired) Chairman Emeritus Cypress International, Inc. Alexandria, VA
Douglas M. Wolfberg, Esquire	Founding Member Page, Wolfberg & Wirth, LLC Mechanicsburg, PA
Julie E. Wollman, PhD	President Widener University Chester, PA

Administration

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

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

Julie E. Wollman, Ph.D., President

Dr. Julie E. Wollman is a passionate, fearless, and effective advocate and leader in higher education. She is the tenth president of Widener University, a role she assumed in January of 2016. Guided by a relentless pursuit of excellence, she has articulated a clear vision and distinct goals for the University focused on providing an unparalleled learning experience.

Leading with enthusiasm, authenticity, and a strong respect for others, Dr. Wollman is nationally recognized specifically for her commitment to building community and bringing people from varying perspectives together to engage in conversation. In 2017, Dr. Wollman launched Common Ground, an ongoing campus initiative designed to encourage reasoned, respectful discourse on challenging topics. The Common Ground project continues to garner national attention as a model for campus dialogue.

Dr. Wollman serves on the boards of local, regional, and national organizations, including the Riverfront Alliance of Delaware County, an economic development organization, where she serves as Board Vice-President; the Global Philadelphia Association; the Middle Atlantic Conference of the NCAA where she serves as Board Secretary; the Baldwin School; the American Association of University Administrators; and the Chamber of Commerce of Greater Philadelphia where she chairs the Regional College and University President's Alliance.

As chair of the President's Alliance she has led a project to unite the many member institutions, in partnership with local business and industry leaders, to advocate for the value of higher education as a public good and an economic imperative to ensure a thriving region and strong, healthy communities.

Prior to joining Widener University, Dr. Wollman served as president of Edinboro University of Pennsylvania and she has held academic leadership positions at Wheelock College, Worcester State University, and Rhode Island College. She earned her undergraduate degree from Harvard University, her master of science from the University of Pennsylvania, and her doctor of philosophy from New York University.

Dr. Wollman is a frequent commentator and dynamic speaker on education-related public policy issues, on higher education access and affordability, and on leadership, appearing regularly in print, online, and broadcast media outlets. She is the recipient of numerous teaching, academic, and professional awards and recognitions. She was named by the *Philadelphia Business Journal*

as a “2017 Women of Distinction” and one of its “People to Watch for 2018,” as well as one of *Main Line Today* magazine’s 2017 “Women on the Move.” In 2019, she was recognized as a prominent education leader by *Authority Magazine*.

Andrew Workman, Ph.D., Provost

Dr. Workman has served in this position since July of 2019. He oversees the schools Arts and Sciences, Engineering, Nursing, Health Services Professions, Business Administration, and Continuing Studies along with the Delaware and Commonwealth Law Schools, the division of Continuing Studies, and the Division of Student Life. At Widener, Workman has led in the development of a cutting-edge student success program, the development of new programs, and curricular rejuvenation. Before arriving at Widener, he served as Provost and Senior Vice President of Roger Williams University in Bristol, Rhode Island from 2012 to 2018 and Interim President from July 2018 to June 2019. Throughout his time there he led major initiatives to expand experiential learning and civic engagement, improve retention and graduation rates, create new academic programs, enhance the general education program, increase enrollment, and control costs. Prior to Roger Williams University, Dr. Workman worked for 19 years at Mills College in Oakland, California. Beginning as an Assistant Professor of History, he taught for many years before moving into administration where he worked on student success, enrollment, management, and program development ending as Professor of History and Vice Provost. Dr. Workman earned his bachelor’s degree from the New College of Florida in philosophy and social theory and his master’s and doctoral degrees from the University of North Carolina, Chapel Hill in United States history.

Joseph J. Baker, C.P.A., M.B.A., Senior Vice President for Administration and Finance

Mr. Baker joined Widener University in May 1999 with 20 years of financial experience in the financial services industry. He directs the daily administrative and financial matters of the University, with enrollment management, athletics, operations and maintenance, information, human resources, legal, campus safety, and all financial functions among his responsibilities. He coordinated the preparation and implementation of the University’s strategic plan, Vision 2015, and the campus master plan, which has resulted in over \$250 million of capital investments in new and upgraded academic buildings, residence halls, athletic facilities and other campus improvements. He has frequently served as a presenter on the strategic planning process at higher education planning conferences and has written articles on the subject.

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

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

School of the University of Pennsylvania. He also completed the Institute for Educational Management program at Harvard University.

Mr. Baker is retiring on June 30, 2021.

Linda Kiraly Gilbert, incoming Vice President for Administration and Finance

Linda Kiraly Gilbert is a strategy-focused and mission-driven leader with more than 25 years of experience in accounting and finance, the majority in higher education. She will assume the role of Vice President of Administration and Finance at Widener University in July 2021. Currently, the Associate Vice President for Administration and Finance at Widener, she leads the University's finance and facilities management functions.

Previously, Gilbert spent two years as the Assistant Vice President of Finance and Administration at LaSalle University. She spent the prior 12 years at The Wharton School of the University of Pennsylvania, ending as the Director of Budget and Strategic Planning where she led the School's strategic financial planning, including responsibility for the school's \$0.5 billion annual operating budget, capital plan, cash flow management, short and long-range forecasting, scenario analysis, and resource allocation decision making.

Gilbert earned her Bachelor of Science in Accounting from the State University of New York College at Geneseo and her Master of Business Administration from Temple University. She also completed the Women's Executive Leadership program at The Wharton School.

Joseph Howard, incoming Vice President for Enrollment

Joseph Howard was appointed by President Wollman as Vice President for Enrollment effective July, 2021. In this new role, Howard will oversee undergraduate admissions, graduate and continuing education admissions, and enrollment services. He holds a Master's in Organizational Leadership from Mercyhurst University and completed doctoral coursework in higher education at the University of Michigan, where he focused on econometrics, admissions practices, and organizational behavior. Howard also served as a statistical computing consultant at the Inter-university Consortium for Political and Social Research. Prior to joining Widener, Howard served as Vice President for Enrollment at Mercyhurst University since 2015. During his tenure, he increased undergraduate net tuition revenue by 35 percent, enrolled two of the largest freshmen classes in the university's history, and expanded graduate enrollment by 30 percent. Past administrative experience includes service in student life and institutional advancement. Howard practices a collaborative "build people up and bring people along" leadership philosophy, working with colleagues to build the capacity for robust data-driven decision-making and resource allocation. Finally, Howard occasionally teaches at the undergraduate and graduate level, with a focus on coursework in linear and non-linear statistical analysis and research methods.

Eric Behrens, Vice President for Library and Information Services

Mr. Eric Behrens was appointed Chief Information Officer at Widener University in November 2016. His role expanded to include library oversight in 2018. Previously he was Associate Chief

Information Technology Officer at Swarthmore College, where his 24-year tenure focused on teaching, learning, and research technologies as well as web services. His additional areas of expertise include change leadership, intercollegiate consortial collaborations, and IT/library partnerships. He currently serves as a faculty member for the EDUCAUSE Institute for New IT Managers, and previously served on the EDUCAUSE Learning Initiative (ELI) Advisory Board. Behrens received his B.A. degree from Swarthmore College and his M.A. from Gonzaga University.

Kathryn Herschede, Vice President Strategic Initiatives and Chief of Staff

Dr. Katie Herschede is the Vice President for Strategic Initiatives and Chief of Staff. Dr. Herschede directs the President's Office and is the board professional for the Board of Trustees. Dr. Herschede has been deeply engaged in retention efforts, business practice improvement, and diversity, equity and inclusion work.

Previously, Dr. Herschede served as the Executive Assistant to the President and Secretary to the Board of Regents and Director of Government and Community Relations at Northern Kentucky University.

Dr. Herschede served as the chair of AGB's Board Professionals Group and is a member and past chair of the professional development and marketing committees. Dr. Herschede is a frequent speaker on all topics related to governance, but most frequently on best practices in board orientation, engaging meetings, and use of technology in the boardroom. Dr. Herschede is the vice chair of the Widener Partnership Charter School Board and a past president and director of the Phi Sigma Sigma Foundation Board of Directors.

Dr. Herschede earned her Bachelor's Degree in Business Management and Doctorate in Educational Leadership from Northern Kentucky University. She received her Master's Degree in Higher Education Administration and Student Affairs from the University of South Carolina.

Terry Travis, Vice President for University Advancement

For more than 25 years, Terry Travis has been a passionate and effective leader in fundraising for higher education. She was appointed Vice President of University Advancement at Widener University in 2018. In her role at Widener, she leads a team comprised of roughly 35 Development, Alumni Engagement and University Relations professionals and is dedicated to strengthening relationships with alumni, raising funds to advance the University's mission and vision, and communicating Widener's commitment to excellence through its marketing and its internal and external storytelling channels.

Previously, Travis spent five years as the Senior Associate Vice President of Advancement at St. Joseph's University. She spent 12 years as the Assistant Vice President of Development at her *alma mater*, La Salle University, where she managed all university fundraising programs. Travis began her career in fundraising as a Major Gift Officer at Villanova University. She is a frequent speaker on higher education, fundraising and advancement topics with CASE (Council for Advancement and Support of Education).

Travis has two degrees from La Salle, a bachelor's degree in finance and a master's degree in education.

Accreditation

The University is accredited by the Middle States Commission on Higher Education, a subsection of the Middle States Association of Colleges and Schools. All business programs are accredited by The Association to Advance Collegiate Schools of Business (“AACSB”). Five undergraduate engineering programs offered by the School of Engineering are accredited by the Engineering Accreditation Commission, ABET (EAC/ABET). Nursing is accredited by the Commission on Collegiate Nursing Education (CCNE) and the Pennsylvania State Board of Nursing; and social work, by the Council on Social Work Education. The undergraduate program in Tourism and Hospitality Management is accredited by the Accreditation Commission for Programs in Hospitality Administration. The chemistry program is approved by the American Chemical Society.

Widener’s graduate programs are additionally accredited by the following: Commission on the Accreditation of Healthcare Management Education (CAHME) for the Master of Business Administration in Healthcare Management, American Bar Association (Delaware Law School and Commonwealth Law School), Commission on Accreditation in Physical Therapy Education (Institute for Physical Therapy Education), American Psychological Association (Institute for Graduate Clinical Psychology), Council on Social Work Education (Center for Social Work Education), Commission on Collegiate Nursing Education (CCNE) (School of Nursing), Pennsylvania State Board of Nursing (School of Nursing), Pennsylvania Continuing Legal Education Board of Supreme Court (Commonwealth Law School), Pennsylvania Department of Education (Center for Education), Pennsylvania Department of Welfare (Child Development Center) and the Pennsylvania Private School Board (Center for Education). The Doctor of Occupational Therapy program is in candidacy status and pursuing accreditation through the Accreditation Council for Occupational Therapy Education. There are four developing programs that will each seek candidacy status from their relevant specialized accreditation bodies: Masters in Speech Language Pathology (Council on Academic Accreditation), Masters in Physician Assistant Studies (Accreditation Review Commission on Education for the Physician Assistant, Masters in Nutrition and Dietetics (Accreditation Council for Education in Nutrition and Dietetics), and the undergraduate robotics engineering program, which will seek accreditation from EAC/ABET in the 2021-2022 academic year.

Colleges, Schools and Academic Programs

College of Arts and Sciences

The College of Arts and Sciences offers more than twenty undergraduate majors across three broad areas – Humanities, Science, and Social Science – as well as two interdisciplinary majors (Gender, Women & Studies and Digital Media Informatics). The College also administers academic assistance centers in mathematics and writing and has curricular oversight for military science and physical education. In the area of arts and media, the College operates the Music Program, the Lone Brick Theater and Fresh Baked Theater, and the Widener University Art Collection. Arts &

Sciences also hosts the student-led WU Productions that encompass Widener television, film, news, sports, and radio/podcast delivery and sponsors two student-directed literary publications, *Blue Route* and *Widener Ink*. For Widener and the surrounding community, the Widener Observatory offers regular telescope viewings of the night sky.

All Widener undergraduate students receive a well-rounded liberal arts education through general education courses offered by the College of Arts and Sciences. Arts and Sciences faculty offer a wide range of writing enriched courses available for all undergraduate students. An interdisciplinary team-taught capstone course, the Values Seminar, is required of all undergraduate Arts & Sciences majors. Widener students also have opportunities for service and other types of community-based learning, collaborative research with faculty members, and study abroad. Internships, externships, and/or practicums are available to all majors. Arts and Sciences students showcase their work at the Summer Undergraduate Research and Creative Activities Symposium, the High Impact Practices Fair, Honors Week, and Student Project Day.

Arts and Sciences students interested in law, medical, dental, pharmacy, or veterinary school are offered special advising; pre-health profession students may choose any major in the College but are required to take a particular set of courses in science and math and receive team mentoring to prepare for post-graduate studies. For students interested in careers in Physical Therapy or Occupational Therapy, the College offers multiple major pathways and a sequence of preparatory courses. These pathways offer students who maintain high standards reserved seats in Widener's doctoral programs in Physical Therapy or Occupational Therapy. An accelerated B.A. /B.S. /M.B.A. option is offered in conjunction with the School of Business Administration. Finally, the College offers Master's degree programs in Public Administration and Criminal Justice and graduate certificates in criminal justice, diversity in the workplace, nonprofit leadership, and urban studies. All programs are offered on the main campus in Chester, PA.

Humanities: The Humanities Division offers Bachelor of Arts degrees in Creative Writing, English, Visual and Performing Arts, French, History, and Spanish. Courses in art history, art studio, Italian, music, dance, and philosophy are also available as well as minors in all the disciplines. Visual and Performing Arts, Spanish, French, and History also offer pathways to Widener's doctoral programs in Physical Therapy and Occupational Therapy.

Social Science: The Social Science Division offers Bachelor of Arts degrees in Anthropology, Communication Studies, Criminal Justice, International Relations, Political Science, Psychology, and Sociology. Minors are offered in all the disciplines. Anthropology, Psychology, and Sociology also offer pathways to Widener's doctoral programs in Physical Therapy and Occupational Therapy.

Science: The Science Division offers Bachelor of Science degrees in Biology, Biochemistry, Chemistry, Computer Information Systems, Computer Science, Environmental Science and Sustainability Studies, Mathematics, Physics and Astronomy, and Science Education. Biology also offers a Bachelor of Arts degree. Minors are offered in all disciplines as well as in astronomy, natural science, or sustainability science. Computer Science or Computer Information Systems majors may enroll in an optional cooperative education program designed for completion within the four-year academic program. Dual degrees in chemistry/chemical engineering,

physics/mechanical engineering, or physics/electrical engineering are offered in conjunction with the School of Engineering. Biology and Chemistry also offer pathways to Widener's doctoral programs in Physical Therapy and Occupational Therapy.

The School of Engineering

Widener University's School of Engineering is dedicated to providing quality undergraduate and graduate education and to advancing the state of knowledge in engineering, with the aim of preparing graduates for successful professional careers. The four-year undergraduate curricula consists of a blend of mathematics, basic science, engineering science, engineering design, practical engineering applications, and the humanities and social sciences. The School of Engineering offers six undergraduate degree programs in biomedical, chemical, civil, electrical, mechanical, and robotics engineering. Dual Bachelor of Science degrees across engineering programs and between engineering and science programs within the College of Arts and Sciences are also offered. Qualified freshmen and transfer students are invited to enroll in the engineering honors program. Students are encouraged to pursue minors in biomedical, chemical, electrical, environmental, mechanical, and robotics engineering, or outside the School of Engineering to broaden their horizons. Engineering students can gain practical experience through an optional cooperative education program in which the student can participate in two periods of employment for a total of up to 12 months of practical experience, while obtaining the bachelor's degree within the normal four-year period. Summer internships offer another opportunity for gaining practical experience. An accelerated program allows qualified students to earn both the Bachelor's and Master's degrees in engineering in 5 years. The biomedical, chemical, civil, electrical and mechanical engineering programs are accredited by the Engineering Accreditation Commission of ABET (abet.org). The robotics engineering program admitted its first cohort of freshmen in the fall 2018 and will graduate the inaugural class in the spring 2022. It will seek accreditation in the fall 2022, the earliest opportunity allowed under the policy of ABET. The Master of Science in engineering degree program is offered with specialization in biomedical, chemical, civil, electrical and mechanical engineering, and in engineering management. In conjunction with the School of Business Administration, a dual degree program leading to the Master of Science in Engineering and Master of Business Administration is also offered.

The College of Health and Human Services

Primarily, but not exclusively, offering graduate programs, the College of Health and Human Services is composed of the Center for Education, Center for Social Work Education, the Center for Human Sexuality Studies, the Institute for Graduate Clinical Psychology, the Institute for Physical Therapy Education and the Institute for Occupational Therapy Education. Additionally, Social Work Counseling Services, the Neuropsychological Assessment Center, the Biofeedback Clinic and Certification Center, the Child Therapy Clinic, Chester Community Clinic, the Widener Child Development Center (3-5 years olds including full-day kindergarten), and the Widener Partnership Charter School (K-8th grade) all reside within the school. All programs are offered on the Main Campus in Chester, Pennsylvania. Both the Child Development Center and the Widener Partnership Charter School are resources for students, serving as learning laboratories where students gain hands-on experiences.

Center for Education. The Center for Education offers a teacher preparation program as an undergraduate dual degree in Early Elementary Education and Special Education leading to the Bachelor of Arts degree (B.A.). Secondary certification in mathematics, science, social studies, English, and modern languages is offered in conjunction with the College of Arts and Sciences (B.A and B.S.). Certificate and Master of Education (M.Ed.) programs are also offered, including teacher preparation at the post-baccalaureate level as well as initial and advanced certification for teachers and teacher leaders (e.g. principal, superintendent, reading specialist, instructional coaching). Additional master's programs include Counselor Education and Higher Education Leadership. A three-year doctoral program leading to the Ed.D. is offered in one of three areas of concentration; K-12 Educational Leadership, Cognitive Studies in Reading and Higher Education Leadership.

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

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

Institute for Graduate Clinical Psychology. The Institute for Graduate Clinical Psychology offers a five-year, full-time clinical psychology program and three-year postdoctoral respecialization program. American Psychological Association continuing education credits and Act 48 credits from the Commonwealth of Pennsylvania are granted for participation in specially designed workshops and seminars. Degrees granted are Master of Arts in Psychology and Doctor of Psychology. The Institute also offers a number of dual degrees, including psychology and

business administration (Psy.D./M.B.A.) and psychology and health care management (Psy.D./M.B.A.-H.C.M.) with the School of Business Administration; psychology and criminal justice (Psy.D./M.A.C.J.) with the College of Arts and Sciences; and Psychology and Education (Psy.D./M.Ed.) in Human Sexuality Education with the Center for Human Sexuality Studies. The doctoral training program offered by the Institute for Graduate Clinical Psychology is unique in that it includes an integrated internship in years four and five of the program, during which students continue to take courses and work on their dissertations while completing the internship required for licensure as a clinical psychologist.

Institute for Physical Therapy Education. The Institute for Physical Therapy Education offers a Doctor of Physical Therapy (D.P.T.) degree in a full-time three-year format. An accelerated 3 + 3 program permits undergraduate students enrolled in appropriate majors to apply to the graduate program in the junior year. Students in the D.P.T. program spend 32 weeks in full-time clinical rotations across three different physical therapy settings. The program maintains relationships with over 400 clinical sites nationwide, with about half of those in the mid-Atlantic region. As a community outreach effort of the Institute for Physical Therapy Education, the Chester Community Clinic provides compassionate and cost-effective physical and occupational therapy care to uninsured and underinsured members of the Chester community. The clinic is funded entirely through grants and donations, and staffing is provided entirely by students studying physical and occupational therapy and alumni volunteers who supervise the students and deliver pro bono care. The clinic is completely student-led, meaning that graduate students in Widener's Institute for Physical Therapy Education and Institute for Occupational Therapy Education occupy the leadership positions at all levels of the organization to ensure that the clinic runs smoothly.

Institute for Occupational Therapy Education. The Institute for Occupational Therapy Education offers a Doctor of Occupational Therapy (O.T.D.) degree in a full-time three-year format. This program is in candidacy status with the Accreditation Council for Occupational Therapy Education (ACOTE). Similar to the D.P.T. program, an accelerated 3 + 3 program option allows undergraduate students to apply to the graduate program in the junior year. Students in the O.T.D. program complete level I experiences in their first and second year for a total of 100 part-time hours across 5 different settings. In their third year, students complete two 12-week level II fieldwork experiences in full-time equivalent placements. The Doctoral Capstone is a 14-week culminating experience completed in one of the following areas: advanced practice, research, education, advocacy, program and policy development, administration, or leadership. The program currently maintains relationships with over 110 clinical sites and continues to grow these relationships as the program seeks accreditation. As with the D.P.T program, the O.T.D. program features student experiences and leadership opportunities in the student-run Chester Community Clinic.

The School of Business Administration

Major, full-time undergraduate programs are offered in accounting, business analytics, economics, finance, international business, management, and marketing. Within the management program, students may focus their studies in human resources, operations management, general management or sport management. Economics majors have the option of taking the financial planning track, which prepares them to take the Certified Financial Planner Board of Standards certification exam (CFP). In fall 2020, the SBA launched a major in sport and event management which provides

students the opportunity to work one-on-one with industry leaders from major Philadelphia sports teams and event venues. Each major curriculum is built upon a common foundation of courses which emphasize fundamental business principles, conceptual skills, and analytical tools. The School also offers full-time undergraduates an optional cooperative education program through which students may participate in a total of 12 months of pre-professional employment while still obtaining the bachelor's degree within the normal four-year period. All full-time, undergraduate programs in business lead to the Bachelor of Science in Business Administration degree and are offered on the Main Campus. Accelerated B.S. /M.B.A. and B.S. /M.S. in Business Process Innovation, and B.S./M.S. in Taxation & Financial Planning are also available.

The School's Master of Business Administration program is offered in both full-time and part-time formats and offers concentrations in Accounting Information Systems, Business Process Management, Enterprise Resource Planning, Data Analytics, Finance, General Management, Health Care Management, Organizational Leadership, Taxation, and Technology Management. The MBA is also offered in an online format with concentrations in Business Process Management, Health Care Management, and General Management. The School of Business Administration offers Master of Science in Business Process Innovation and in Taxation and Financial Planning. Dual degree programs lead to the B.S./M.B.A., MJ/MBA and J.D./M.B.A. (offered in conjunction with the School of Law), M.S.E./M.B.A. (offered in conjunction with the School of Engineering), Psy.D./M.B.A., and Psy.D./M.B.A.-H.C.M., (offered in conjunction with the School of Human Service Professions), and M.D./M.B.A. The M.D./M.B.A.-H.C.M. degree is offered in conjunction with the Sidney Kimmel Medical College of Thomas Jefferson University. Certificate programs are offered in Accounting Information Systems, Business Process Innovation, Health Care Management, Organizational Leadership SAS Business Intelligence and Analytics, and Taxation and Financial Planning. The graduate programs are offered on the Main Campus.

The School's undergraduate and graduate business programs are accredited by AACSB International. Health Care Management program is also accredited by the Commission on Accreditation for Health Care Management Education (CAHME). The Master of Science in Taxation and Financial Planning and the Certificate in Financial Planning, are registered with the CFP[™] Board of Standards. Students completing any of these programs are eligible to sit for the CFP[™] examination.

The School of Nursing

The School of Nursing offers undergraduate coursework leading to the Bachelor of Science in Nursing (B.S.N.) degree. The curriculum incorporates a foundation in the humanities and natural and social sciences, expanding to a focus on health and application of the nursing process. Enrolled B.S.N. students study on the main campus in Chester and affiliate with various health care facilities in the tristate region for their clinical experiences. Associate degree or diploma-prepared registered nurses can complete the online R.N. to B.S.N. option, after completing the pre-requisite requirements in as little three semesters. A 15-month accelerated B.S.N. program is offered on the Harrisburg campus and a 22-month accelerated BSN program is offered on the Chester campus.

Students can enroll in one of the available Master of Science in Nursing (M.S.N.) concentrations to prepare for certification as advanced practice registered nurses (APRNs). Concentrations include adult-gerontology clinical nurse specialist and family (individual across the lifespan)

Certified Registered Nurse Practitioner (CRNP) specialties. Master's level preparation is available, as well, in nursing education and executive nurse leadership concentrations. Post-master's certificates are available in any of the M.S.N concentrations. The R.N./M.S.N. accelerated program facilitates seamless progression toward the master's degree for registered nurses who hold associate degrees or diplomas in nursing and a bachelor's degree in another field.

Widener offers two doctoral degrees in nursing. The Doctor of Philosophy (Ph.D.) program prepares nurse scholars for roles in leadership, teaching, and research. Its focus is advancement of the science of nursing. The Doctor of Nursing Practice (D.N.P.) program, available to qualified B.S.N. or M.S.N.-prepared nurses, focuses in strengthening advancement of clinical practice.

All graduate programs are offered in their entirety on the main campus in Chester. The family (individual across the lifespan) CRNP and adult-gerontology CNS programs are also offered on Widener's Harrisburg Campus.

The baccalaureate, master's, and D.N.P. programs at Widener University are accredited by the Commission on Collegiate Nursing Education and approved by the Pennsylvania Board of Nursing.

The Widener University Delaware Law School

The Widener University Delaware Law School (Delaware Law School) is located in Wilmington, Delaware. The Delaware Law School offers a standard three-year Juris Doctor (J.D.) program in its regular division, and also offers an extended division program for evening students in which they typically receive the J.D. degree in four years. The Delaware Law School heavily emphasizes experiential learning, through an array of clinics and externships, including clinics in environmental law, criminal defense, civil law practice involving domestic violence, and veterans' law. Many Delaware Law Students have externships or clerkships on state and federal courts, including the prestigious Wolcott Fellowship Program, in which students spend approximately half their time in their final year of law school working as clerks for Justices of the Delaware Supreme Court. The Delaware Law School also offers an array of advanced and specialty degree and joint degree programs for American and international lawyers, as well as numerous programs providing degrees or certificates for non-lawyers. These include Master of Laws (LL.M.) degrees, and the Doctor of Juridical Science (S.J.D.) degrees, both of which are highly popular with international lawyers and law students. Degree programs for non-lawyers include Masters of Jurisprudence (M.J) degrees, degrees in Paralegal Studies, and compliance certificate programs in a wide array of specialties. The Delaware Law School is located on a 32 acre campus that includes student housing, comprised of both dormitory and apartment units.

The Widener University Commonwealth Law School

The Widener University Commonwealth Law School (Commonwealth Law School) is located in Harrisburg, Pennsylvania. The Commonwealth Law School offers a standard three-year Juris Doctor (J.D.) program in its regular division, and also offers an extended division program for evening students in which they typically receive the J.D. degree in four years. The Commonwealth Law School embraces its role in the capital of Pennsylvania, providing an extraordinary array of opportunities for students to study law and government including internship and externship

opportunities with government officials, state agencies, the legislature and the court system. Its civil law clinic provides hands on opportunities for students to receive direct client experience, helping indigent clients with family law, landlord/tenant issues, bankruptcy, elder law and other specialties. In addition to its Law & Government Institute, the Commonwealth Law School also houses the Environment Law and Sustainability Center and the Business Advising Program allowing students the opportunity to earn certificates in law & government, environmental law, and business advising. The Commonwealth Law School has 3,600 alumni that practice throughout Pennsylvania, New Jersey, New York, Maryland and D.C., providing a source of strength for the Law School. The Commonwealth Law School is located on a 23 acre campus easily accessible to students from central Pennsylvania and the surrounding region.

Graduate Studies and Continuing Studies

Graduate Studies and Continuing Studies includes the following units: Graduate Studies, Online Programs, the Osher Lifelong Learning Institute, and the Center for Continuing Studies. The office of Graduate Studies works in partnership with the academic schools and colleges regarding all facets of graduate programs, including recruitment, admission and retention of graduate students. Continuing Studies provides certificate, associate's, bachelor's and master's degree programs to working adult students through evening and online courses. The Osher Lifelong Learning Institute (OLLI) is an enrichment program that offers academic experiences to adults ages 50 and older, and facilitates connections with faculty and students in the Widener academic community. Online programs provide access to Widener's programs to students from around the country and world. Programs include the Master of Social Work, the Master of Business Administration, and an undergraduate program in Nursing.

The Leadership Institute

The mission of the Leadership Institute is to perpetuate and strengthen the University's long and noble tradition of inspiring its students to be strategic leaders and responsible citizens who possess the character, courage, and competencies to affect positive change throughout the world. The Institute's long-term vision is to drive Widener University's evolution into a world-class leadership degree producing institution recognized for its innovative leadership programs, especially opportunities for Widener students to lead outside their "comfort zones." The Institute provides leadership programs that range from our undergraduate leadership certificate program and a minor in leadership studies, to graduate leadership training programs, to professional programs, and cutting-edge research initiatives. At the Institute, we train the trainers who will be tomorrow's doctoral level executive coaches and organizational consultants. Our on and off campus executive coaching and leadership development programs provide real world-training for Widener graduate students while also offering a valuable service for our leaders and their management teams. Other leadership programs include the Global Leadership Program, High School Leadership Awards, Apogee Scholars Program, and the Beideman Visiting Scholars Program, which brings world class speakers to campus to benefit the University and our surrounding community.

Locations and Facilities

Widener University is a multi-campus teaching institution located in Chester and Harrisburg, Pennsylvania, and Wilmington, Delaware. Chester, site of the Main Campus, is ten miles southwest of Philadelphia along the Delaware River. The Main Campus is comprised of 88 Victorian and modern buildings on 110 acres. The University acquired its Delaware campus in 1976. This 32-acre campus in suburban Wilmington houses the Widener University Delaware School of Law, and a branch of the Continuing Studies Program. The suburban Harrisburg campus, which opened in 1989, consists of 20 acres that houses the Commonwealth Law School and master's level courses in Nursing. All other academic programs are offered on the Main Campus in Chester.

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

The University has partnered with Ayers Saint Gross, a nationally recognized design firm with expertise in space analytics, planning, programming, and architecture for higher education institutions, to develop a Space Planning + Campus Master Plan which will serve as a framework for management of physical assets and prioritize future capital investments. Their team will tour buildings, meet with stakeholders, analyze existing utilization and space needs, and develop planning scenarios for consideration. This process is intended to be inclusive, open-ended, and without preconceived outcomes and will engage a diverse set of constituents to ensure the success of this plan and welcome all forms of input. At completion in summer 2021, the plan will guide decision-making in order to accomplish the University's academic goals while supporting the commitment to a transformative and accessible education.

Some of the University's major facilities include:

Old Main, constructed in 1868 and rebuilt in 1882 after a fire, was completely renovated and brought up to code in the mid 1980's including the installation of a sprinkler system, elevator, and air-conditioning. Old Main and the Old Main Annex were placed on the National Register of Historic buildings in 1978. Old Main now houses the offices of the President and Vice Presidents, and other administrative offices. The dome on Old Main is the most significant and nostalgic architectural feature on the Chester Campus. Old Main was renovated in 2012 and most recently in 2019 after a flood caused by a broken pipe impacted an entire wing of the building.

Wolfgang Memorial Library, a triangular 65,000 gsf building of white brick built in 1970, dominates the heart of the Main Campus and its academic programs. Library resources include over 100 research databases, 8,000 electronic journal titles, 170,000 electronic books and

thousands of print books, physical journals and audiovisual materials. Group and individual study spaces in the library provide opportunities for collaboration and quiet study. The library provides access to computers, printers and scanners and is the location of the Student Technology Support Center (STSC) making the library the main building on campus for delivering technology resources for students.

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

University Center, is so named after a 50,000 gsf expansion doubled the size of the existing student center to create a dramatic entry and large multifunctional lobby, as well as meeting rooms. The University is in the midst of a three-phase \$5.5 million upgrade to the University Center atrium and dining hall, including the addition of a fully-licensed Starbucks, an updated lounge with a living green wall and new food court concepts. Esports, Widener's 24th and first co-ed varsity sport, has its home on the ground floor of University Center in 2019. A 1,300-square-foot former computer lab was transformed into the gaming team's headquarters, featuring 27 computers, each laser etched with the Widener Pride logo on the machines' glass-panel shells, gaming tables and chairs, and a 119-inch screen centrally located in the room, designed for competition review and game watching.

Leslie C. Quick, Jr. Stadium, is a 45,000 gsf stadium built in 1994 of pre-cast concrete and provides an outstanding venue for football as well as track and field events. The stadium has a capacity of 3,500. Athletic facility improvements in recent years include replacement of the infrastructure of the existing swimming pool in 2013 and replacement of football artificial turf in 2017.

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

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

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

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

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

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

Freedom Hall, which opened in August 2013, is a 32,000 gsf building which houses the Communication Studies, Computer Science and Informatics programs. The new state-of-the-art facility includes a TV studio, editing suites, computer labs, and space for student research and laboratory projects. In summer 2021, the existing grab and go convenience store will be upgraded to a Freshen Fresh Food Studio.

Harris Hall, a 211-bed residence hall, opened in August 2015. The accommodations feature a combination of suites and traditional-style rooms. The hall also includes a food court and living and learning space.

Melrose Hall, a state-of-the-art facility housing the student-run Chester Community Pro Bono Clinic and the new occupational therapy doctoral program, opened in 2019. The building features interactive patient rooms, clinical labs and interdisciplinary workspaces to facilitate collaborative and inter-professional learning. Now in its tenth year, Widener's nationally recognized clinic has continued to evolve its interdisciplinary approach to care that offers physical therapy, occupational therapy, clinical psychology and social work services for uninsured and underinsured clients.

Kapelski Learning Center, home to the Dean of the College of Arts & Sciences, English, Psychology, Humanities, Sociology, and Women's Studies departments is currently undergoing a multi-phase, \$27 million dollar renovation and new construction. Phase I, completed in the summer of 2019, was a 16,000 square foot renovation including an enclosure of the portico, one new classroom, an expansion of the lobby area and modifications to the lecture hall and the band room. The second and final phase will be guided by the campus master plan. This phase is expected to create dynamic new learning spaces, a new welcoming entrance as well as completely updating restrooms, offices and shared facilities.

Academic Center North, a 45,000 gsf building originally constructed in 1988, is in the midst of a two-phase \$20 million renovation to accommodate programs for the College of Health and Human Services. This future home to the physical therapy, occupational therapy, speech-language pathology, and physician's assistant programs will serve as the academic hub for a new health sciences corridor on the north side of campus. These renovations will provide collaborative space

for students, inter-disciplinary teaching and clinical lab space as well as a state-of-the-art gross anatomy lab.

Widener Points of Pride

91% of Widener's 2020 graduates achieved their intended career goals of employment, graduate school, or military and other service within six months of graduating, according to the National Association of Colleges and Employers.

Widener's four-year graduation rate is above the national benchmark and has increased 5% over the last five years.

Widener's School of Nursing is designated as one of six Centers of Excellence in the nation for Advancing the Science of Nursing Education by the National League for Nursing (NLN). The school has also been recognized as one of 11 NLN Centers of Excellence nationwide for enhancing student learning and professional development.

Widener's School of Business Administration and its Small Business Development Center have been named a SAP Next-Gen Lab for Design Thinking and Analytics, making it the only small business development center to earn this designation out of 1,100 centers nationwide.

Widener's Small Business Development Center also won the 2019 Pennsylvania Small Business Development Center Excellence and Innovation Award. Widener was chosen from 18 small business development centers in Pennsylvania in recognition of its innovative approach to helping clients start and grow their businesses.

Widener University ranked fourth on a list of the best online master's in business law programs by OnlineMasters.com. The Master of Business Administration/Master of Jurisprudence in Corporate and Business Law was named the "Most Cutting-Edge Law Program."

The Delaware Law and Commonwealth Law Schools ranked among the best law schools nationally by The Princeton Review.

Widener has a three-year cohort loan default rate of 4.8% compared to a 6.7% average for private schools, and a 9.7% average for all schools.

Widener University is nationally ranked by *U.S. News and World Report*.

Widener was named a best value college in Greater Philadelphia by *The Philadelphia Business Journal*.

Widener's School of Engineering was ranked in the top 10 in the country by TheKnowledgeReview.com.

Widener University is home to the Philadelphia region's first and only undergraduate robotics engineering major.

Widener's School of Nursing was named to the Nursing Schools Almanac's 2020 ranking of the top U.S. nursing schools. Widener was ranked 10th on the list of the 75 Best Nursing Schools in Pennsylvania, 24th on the list of 100 Best Nursing Schools in the Mid-Atlantic, and 58th on the list of 100 Best Private Nursing Schools in the United States.

Widener University is one of just 96 colleges to receive the 2018 Higher Education Excellence in Diversity (HEED) Award from *INSIGHT Into Diversity* magazine.

Widener University was named to the prestigious national list of 2019-2020 Military Friendly Schools.

Widener University won the medium-school division of the 2019 Forbes #MyTopCollege social media contest, and placed second overall in the country.

Widener University ranked fourth on a list of the 25 best Pennsylvania colleges and universities with online learning programs from GuideToOnlineSchools.com.

Widener's Online MBA in health care management was ranked in the top 10 in the nation by The BestSchools.org. Intelligent.com named the program 8th on its Top 49 Online MBA in Healthcare Management Programs list, as well as naming the program "Best in the Northeast."

Widener University ranked fourth on a list of the best online master's in business law programs by OnlineMasters.com. The Master of Business Administration/Master of Jurisprudence in Corporate and Business Law was named the "Most Cutting-Edge Law Program."

Widener's online Master of Social Work program ranked 7th on a 2019 list of "Best Online MSW Degree Programs" by Study.com.

Widener's Master in Taxation and Financial Planning program ranked in the top 30 "Best Master's Degrees in Taxation" by Grad School Hub.

Widener's Master of Business Administration in Health Care program ranked seventh on the list of Top 50 MBA in Healthcare Management programs and labeled "Best in the Northeast" by Intelligent.com.

Widener's online Master of Social Work program ranked 22nd on a list of 48 Best Online Masters in Social Work Programs and was also recognized as having "Best Dual Degree Options" by Intelligent.com.

Widener ranked 22nd on a list of top 50 online MBA programs in health care management in the country and was named "Best for Careers in Health Information" by Onlinemasters.com.

Widener Law Commonwealth's environmental law program was one of 22 law schools nationally to receive an A grade from *preLaw Magazine*.

Widener Law Commonwealth ranked at #1 *preLaw Magazine* 's employment honor roll for placing graduates into legal jobs. The school was also recognized by the *National Jurist* in its employment honor roll.

Commonwealth Law School ranked seventh on a specialty list of schools with the most competitive students by The Princeton Review.

Widener Delaware Law's bachelor's degree in legal studies ranked 18th on a national list of the "25 Best Bachelor's Paralegal Programs" by Bachelorsdegreecenter.com.

Widener Delaware Law received an A grade for its Family Law program from *preLaw Magazine*.

Widener Delaware Law was one of 32 law schools nationwide recognized as best at placing graduates into jobs at small law firms by *preLaw Magazine*.

Widener Delaware Law ranked 21st on a list of the "Top 50 Best Online Master of Laws and Master of Legal Studies Degree Programs" in the country by MastersProgramsGuide.com

Widener Delaware Law's LL.M. program was one of seven law schools nationwide to receive an A rating for value and for career assistance by *International Jurist* magazine.

Widener Delaware Law's master of jurisprudence in corporate and business law was ranked 5th in the nation among nearly 300 programs at 135 universities and colleges by Intelligent.com.

Student Satisfaction Survey (Noel Levitz).

- Widener met or exceeded expectations for 80% of students.
- Student satisfaction with education is 4% higher than the norm.
- High marks in Instructional Effectiveness, Academic Advising, and Campus Support Services.
- Seniors over 25% more likely to participate in two or more High Impact Educational Practices and Collaborative Learning Experiences (NSSE).

Faculty and Employees

The University has 264 full-time faculty, of whom 59% have tenure. Additionally, 90% of the full-time faculty (including administrators who hold faculty rank) hold a terminal degree or its equivalent. The University employs 448 part-time faculty members. As of September 2020, the University's 712 (264 full-time and 448 part-time) faculty members were employed in the following capacities:

	<u>Fall 2020</u>
Professors	78
Associate Professors	88
Assistant Professors	75
Instructors/Lecturers	<u>23</u>
Sub-total Full-Time Faculty	264
Part-Time Faculty	<u>448</u>
Total Faculty	712

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

In fall 2020, excluding faculty, the University had 552 full-time and 35 part-time employees. The University is not party to any collective bargaining agreements.

Student Enrollment

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

	Academic Year				
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Undergraduate Day	3,189	3,092	3,055	2,932	2,726
Graduate	1,153	1,184	1,211	1,181	1,174
Schools of Law	<u>730</u>	<u>817</u>	<u>940</u>	<u>1,020</u>	<u>1,076</u>
Total Student FTE	5,072	5,093	5,206	5,133	4,976

Overall, the University's diversified portfolio has resulted in relatively stable FTE enrollment over the five-year period despite the pandemic impact on the undergraduate day program. The decrease in the undergraduate FTE in fiscal year 2020 was due, in part, to an increase in the minimum admission standards. The fiscal year 2021 decline was due to the smaller freshman class entering during the pandemic. Undergraduate programs have been introduced in sport and event management, green chemistry, environmental health and sustainability management, digital marketing, and supply chain management in recent years. All graduate programs now have undergraduate pathway programs, which is expected to bolster the undergraduate enrollment in the coming years.

Graduate enrollment increased over the five-year period primarily due to growth in the health sciences programs which offset the anticipated declines in the University's online Master of Social Work program in the 2019-20 academic year. An Occupational Therapy Doctorate program was introduced in fall 2019, with new graduate programs in Speech Language Pathology and Physicians Assistants set to start in the next two years. Enrollment in the law program enrollment increased by 47% over the five-year period with enrollment projected to continue increase in 2022 as the smaller fall 2018 cohort graduates and is replaced by a larger incoming class in fall 2021.

Full-time equivalent student enrollment for the 2022 fiscal year is projected to increase slightly to approximately 5,000. The slight decline projected in the undergraduate population due to the pandemic is expected to be offset by increasing law and graduate seated enrollment with Occupational Therapy continuing to grow and Speech Language Pathology welcoming its founding cohort in summer 2021.

Applications, Acceptances and Matriculations

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

	<u>Academic Year</u>				
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
<u>Undergraduate Freshmen:</u>					
Applications	5,176	6,028	6,422	6,245	5,739
Acceptances	3,607	3,948	4,444	4,490	4,280
Matriculations	728	770	768	727	598
Acceptance % (acceptances/applications)	70%	65%	69%	72%	75%
Matriculation % (acceptances/applications)	20%	20%	17%	16%	14%

Undergraduate applications increased 11% from 2016 to 2020. During that same timeframe, admitted students grew by 19% despite an increase in the minimum academic standards, particularly in 2020. Joining the Common Application for the 2017 admission cycle was a strategic move to boost application numbers and increase opportunities to engage with prospective and admitted students. This decision was enacted knowing that the University would also see an increase in “soft applications” which may not have the same level of interest in attending. While the decision contributed to maintaining stability in enrollment numbers as anticipated, a side effect was a lower yield off of the increased applications and acceptances.

For fall 2019, after several years of working to attract higher academically prepared students to the undergraduate prospect funnel and resulting applicants and admits, the University made the decision to increase floor admission criteria. This decision was made with a goal of improving two other important key metrics, continuing to improve retention rates and graduation rates.

As of June 14, 2021, undergraduate freshman applications for the fall 2021 semester are 5,584, acceptances are 4,740, and deposits are 634. At a comparable point in the fall 2020 admissions cycle, applications were 5,691, acceptances were 4,273, and deposits were 637. New transfer programs in the School of Nursing provide an increasingly material component of the undergraduate pipeline. Fall 2021 transfer enrollment is on track to exceed the fiscal year 2022 budget assumption of 116 transfer students, which would be an increase of more than 26% over fall 2019’s 92 transfer matriculants. As of June 14, 2021, undergraduate transfer applications for the fall 2021 semester are 919, acceptances are 381, and deposits are 140. At a comparable point

in the fall 2020 admissions cycle, applications were 734, acceptances were 249, and deposits were 108, with 111 transfer students ultimately matriculating.

Total incoming undergraduate student applications for the fall 2021 semester are 6,503, acceptances are 5,121, and deposits are 774. At a comparable point in the fall 2020 admissions cycle, applications were 6,425, acceptances were 4,522, and deposits were 745, with 690 new students ultimately matriculating. Assuming similar melt trends as the fall 2020 semester, the University is on track to meet the fiscal year 2022 budget assumption of 713 freshmen and transfers for the fall 2021 semester.

Academic Year

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
<u>Law School First Year:</u>					
Applications	1,333	1,543	1,596	1,547	1,742
Acceptances	864	962	987	1,036	1,056
Matriculations	268	339	339	352	366
Acceptance %	65%	62%	62%	67%	61%
(acceptances/applications)					
Matriculation %	31%	35%	34%	34%	35%
(acceptances/applications)					

Applications at the law schools have increased by 31% over the five-year period resulting in a 37% increase in the first-year class sizes over that same period despite a lower acceptance rate.

As of May 27, 2021, law school applications for the fall 2021 semester are 1,761, acceptances are 1,064, and deposits are 375. Commonwealth Law School is experiencing its largest applicant pool since 2013. At a comparable point in the fall 2020 admissions cycle, applications were 1,420, acceptances were 828, and deposits were 309. The University is on track to meet and potentially exceed the fiscal year 2022 budget assumption of 374 first-year law students for the fall 2021 semester.

Academic Quality

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

	<u>Fall of</u>				
<u>Undergraduate:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Average SAT/ACT	1112	1109	1123	1127	1129
Avg. High School GPA	3.45	3.52	3.46	3.43	3.50
<u>Law School:</u>					
Average LSAT scores-Del	148	148	148	149	149
Average LSAT scores-Com	148	148	147	149	148

In a period when national SAT averages have declined, the undergraduate program's average composite SAT/ACT score has risen 17 points since fall 2016. The average high school GPA, which correlates best for retention and graduation of students at Widener, has also been stable over the last five years, ranging from 3.43 to 3.52. The freshmen-to-sophomore retention rate for the fall 2016-2020 fiscal year freshmen cohorts has been 82%, 80%, 78%, 82%, and 81%, respectively. As of June 7, 2021, the average SAT/ACT score for the deposited incoming fall 2021 class is 1170, a noteworthy but not surprising increase due to the test optional policy implemented this admissions cycle. However, the average high school GPA for incoming freshmen is 3.63 as of June 7, 2021, a notable increase over the high point of 3.52 in fall 2017.

Both the Delaware and Commonwealth Law Schools have maintained the academic quality of their first-year cohorts.

Student Fees

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

	<u>Academic Year</u>				
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Undergraduate:					
Tuition & Fees	\$42,870	\$44,166	\$45,948	\$47,328	\$48,575
Room & Board	<u>13,616</u>	<u>14,024</u>	<u>14,446</u>	<u>14,736</u>	<u>\$13,701</u>
Total	<u>\$56,486</u>	<u>\$58,190</u>	<u>\$60,394</u>	<u>\$62,064</u>	<u>\$62,276</u>
Graduate (per credit hour)	\$678-1,140	\$736-1,163	\$744-1,163	\$750-1,186	\$750-1,222
School of Law					
Delaware	\$43,560	\$45,740	\$47,340	\$48,750	\$50,250
Commonwealth	\$43,140	\$44,048	\$45,370	\$47,130	\$48,540

Competition

For comparative purposes, the University uses the following institutions with regard to total tuition, fees, and room and board for the fiscal year ended June 30, 2021.

	School	FY 2019-20	FY 2020-21	Year Over Year % Increase
1	Villanova	\$54,550	\$56,730	4.0%
2	Ursinus	53,610	55,210	3.0
3	Drexel	52,146	53,868	3.3
4	Susquehanna	48,560	50,500	4.0
5	Widener	46,378	47,770	3.0
6	St. Joseph	46,350	47,740	3.0
7	Scranton	45,390	46,684	2.9
8	Moravian	43,581	45,321	4.0
9	Rider	43,720	45,120	3.1
10	Lebanon Valley	43,650	44,740	2.5
11	Arcadia	43,740	44,620	2.0
12	Lycoming	40,896	41,984	2.7
13	Delaware Valley	38,070	38,070	0.0
14	Wilkes	35,814	36,888	3.0
15	Gwynedd-Mercy	33,800	34,650	2.5
16	Elizabethtown	32,000	32,960	3.0
17	Cabrini	30,950	32,830	6.1
18	Neumann	31,500	31,500	0.0
19	LaSalle	30,700	31,350	2.1
20	Albright	24,500	25,500	4.1

AVERAGE INCREASE

2.9%

Source: 2020/21 AICUP Tuition and Fee Survey

Student Financial Aid

During the 2020 fiscal year, approximately 97% of the University's full-time undergraduate students received some form of financial aid. Sources of financial aid include University, state and federal grants, loans and work-study programs.

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

	<u>Fiscal year ended June 30,</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Federal and State ⁽¹⁾	\$ 5,956	\$ 5,600	\$ 5,674	\$ 5,328	\$ 4,547
Non-Institutional ⁽²⁾	2,330	2,126	2,115	2,178	2,137
Campus Based ⁽³⁾	4,604	4,532	4,494	3,702	3,306
Institutional Aid ⁽⁴⁾	64,507	65,958	68,088	73,025	73,087
Loan Programs ⁽⁵⁾	<u>37,828</u>	<u>39,223</u>	<u>39,114</u>	<u>39,167</u>	<u>43,522</u>
Total Student Aid	\$115,225	\$117,439	\$119,485	\$123,400	\$126,599

(1) Includes Federal Pell Grants and State Grants

(2) Includes all other non-institutional scholarships

(3) Includes Federal SEOG, Federal Perkins Loan, and Federal Work Study

(4) Includes all forms of institutional scholarships, grants, and work programs

(5) Includes Federal Direct Stafford Loans, Federal Direct PLUS Loans, Widener undergraduate Loans, and private alternative loans

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

Accounting Matters

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

The report of CliftonLarsonAllen LLP, the University's independent auditors, together with the University's financial statements as of and for the years ended June 30, 2020 and 2019, and the related notes to financial statements appear in Appendix B of this Official Statement.

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

The following Statements of Financial Position for the last five fiscal year ends through June 30, 2020, have been derived from the University's audited financial statements for the years indicated.

Widener University
Statements of Financial Position
(000's)

Assets	<u>6/30/16</u>	<u>6/30/17</u>	<u>6/30/18</u>	<u>6/30/19</u>	<u>6/30/20</u>
Cash and cash equivalents	\$ 25,604	\$ 35,200	\$ 42,613	\$ 49,518	\$ 40,345
Accounts receivable	3,530	3,317	8,319	9,222	14,399
Prepaid expenses and other assets	2,769	2,001	1,875	1,227	989
Contributions receivable (net of allowance for doubtful accounts)	6,443	5,879	5,096	1,271	1,112
Investments	83,648	90,103	95,328	98,447	94,131
Loans to students (net of allowance for doubtful accounts)	11,979	11,194	9,991	7,710	6,255
Net property, plant and equipment	<u>214,564</u>	<u>209,018</u>	<u>206,724</u>	<u>212,743</u>	<u>216,081</u>
Total assets	<u>\$348,537</u>	<u>\$356,712</u>	<u>\$369,946</u>	<u>\$380,138</u>	<u>\$373,312</u>
Liabilities and Net Assets					
Accounts payable and accrued expenses	\$ 19,628	\$ 18,496	\$ 25,079	\$ 25,008	\$ 20,117
Deferred revenue and deposits	6,400	6,832	10,924	10,564	12,108
Accrued Post Retirement Benefit obligation	65,512	65,254	56,411	58,020	65,808
Bonds, Mortgages and other debt obligations	87,676	85,538	79,802	78,178	76,250
U.S. government grants refundable	<u>6,956</u>	<u>6,779</u>	<u>6,711</u>	<u>6,632</u>	<u>5,826</u>
Total liabilities	<u>186,172</u>	<u>182,899</u>	<u>178,927</u>	<u>178,402</u>	<u>180,109</u>
Net assets:					
Without donor restrictions	107,200	113,997	129,492	140,998	134,739
With Donor restrictions	<u>55,165</u>	<u>59,816</u>	<u>61,527</u>	<u>60,738</u>	<u>58,464</u>
Total net assets	<u>162,365</u>	<u>173,813</u>	<u>191,019</u>	<u>201,736</u>	<u>193,203</u>
Total net assets and liabilities	<u>\$348,537</u>	<u>\$356,712</u>	<u>\$369,946</u>	<u>\$380,138</u>	<u>\$373,312</u>

The following Statements of Activities for the last five fiscal years through June 30, 2020, have been derived from the University's audited financial statements for the years indicated.

Widener University
Statements of Activities
(000's)

	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
Changes in unrestricted net assets:					
Operating activities:					
Revenues and gains:					
Net tuition and fees	108,205	110,835	111,877	121,898	121,289
Federal and state grants and contracts	2,018	1,975	2,121	2,176	2,044
Contributions	1,340	1,201	1,379	1,500	1,418
Investment income	4,522	4,518	2,881	4,465	3,556
Miscellaneous income	2,775	2,557	2,328	2,422	1,920
Auxiliary enterprises	<u>22,672</u>	<u>23,563</u>	<u>23,079</u>	<u>24,167</u>	<u>18,390</u>
Total unrestricted revenues and gains	141,532	144,649	143,665	156,628	148,617
Net assets released from restrictions	<u>7,341</u>	<u>5,200</u>	<u>5,803</u>	<u>6,198</u>	<u>8,537</u>
Total unrestricted revenues and gains	<u>148,873</u>	<u>149,849</u>	<u>149,468</u>	<u>162,826</u>	<u>157,154</u>
Expenses:					
Educational and general expenses:					
Instructional	72,728	71,124	69,518	67,246	70,188
Research	471	457	539	765	588
Public service	388	502	462	516	583
Academic support	15,915	14,828	14,235	14,013	13,711
Student services	19,343	19,741	19,902	19,354	19,453
Institutional support	23,399	19,723	20,958	24,959	24,198
Auxiliary enterprises	21,863	22,512	22,211	22,691	21,579
Cares Act grants to students	-	-	-	-	1,136
Total expenses	<u>154,107</u>	<u>148,887</u>	<u>147,825</u>	<u>149,544</u>	<u>151,436</u>
Change in unrestricted net assets from operating activities	<u>(5,234)</u>	<u>962</u>	<u>1,643</u>	<u>13,282</u>	<u>5,718</u>
Non Operating activities					
Net appreciation / (depreciation) in fair value of investments	(4,336)	1,154	1,873	473	(2,256)
Pension Other Comprehensive Income (Loss)	(7,526)	5,044	12,175	(2,180)	(8,173)
Voluntary Retirement Program	(4,234)	(324)	(1,135)	(55)	(1,420)
Other	(44)	(39)	(51)	(14)	(128)
Loss on extinguishment of debt	-	-	-	-	-
Loss on disposition of property	<u>(115)</u>	<u>-</u>	<u>(836)</u>	<u>-</u>	<u>-</u>
Change in unrestricted net assets from non operating activities	<u>(16,255)</u>	<u>5,835</u>	<u>12,026</u>	<u>(1,776)</u>	<u>(11,977)</u>
Total change in unrestricted net assets	<u>(21,489)</u>	<u>6,797</u>	<u>13,669</u>	<u>11,506</u>	<u>(6,259)</u>
Change in Net Assets with donor restriction	<u>(4,364)</u>	<u>4,651</u>	<u>719</u>	<u>(789)</u>	<u>(2,274)</u>
Change in total net assets	<u>(25,853)</u>	<u>11,448</u>	<u>14,388</u>	<u>10,717</u>	<u>(8,533)</u>
Net assets at beginning of year	188,218	162,365	173,813	191,019	201,736
Restatement - adoption of new standards	-	-	2,818	-	-
Net assets at end of year	<u>162,365</u>	<u>173,813</u>	<u>191,019</u>	<u>201,736</u>	<u>193,203</u>

Historic Operating Results

The following table provides a summary of the University's unrestricted operating surplus available for debt service for the University's fiscal years ended June 30, 2016 through 2020.

Summary of Operating Results – FY 2016-2020 (\$000)

	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
Unrestricted operating revenue	\$148,873	\$149,849	\$149,468	\$162,826	\$157,154
Unrestricted operating expenditures	<u>154,107</u>	<u>148,887</u>	<u>147,825</u>	<u>149,544</u>	<u>151,436</u>
Net Revenues	-5,234	962	1,643	13,282	5,718
Depreciation	11,563	12,182	12,295	12,664	12,636
Interest	<u>4,062</u>	<u>4,100</u>	<u>3,986</u>	<u>3,886</u>	<u>3,814</u>
Unrestricted operating surplus available for debt service	<u>\$10,391</u>	<u>\$17,244</u>	<u>\$17,924</u>	<u>\$29,832</u>	<u>\$22,168</u>
Maximum Annual Debt Service on Bonds Outstanding	\$6,421	\$6,421	\$6,421	\$6,421	\$6,421
MADS Debt Service Coverage Ratio	1.62	2.69	2.79	4.65	3.45
Certain operating metrics:					
FTE Students	5,019	5,072	5,093	5,206	5,133
New Tuition & Fees per FTE Students	\$21,560	\$21,850	\$22,230	\$23,410	\$23,630

The University's balance sheet and demand data has been strengthened dramatically over the last five years, and key items are as follows:

- Cash and investments increased from \$109.3 million in 2016 to \$134.5 million in 2020.
- Cash and investments to debt improved from 125% in 2016 to 176% in 2020.
- Total net assets increased from \$162.4 million in 2016 to \$193.2 million in 2020.
- Net tuition revenue increased from \$108.2 million in 2016 to \$121.3 million in 2020.
- University student FTE was 5,019 in 2016 and 5,133 in 2020.
- Net tuition and fees revenue per FTE student increased from \$21,560 in 2016 to \$23,630 in 2020.

Cash and Investments

	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>
Cash and cash equivalents	\$ 25,604	\$ 35,200	\$ 42,613	\$ 49,518	\$ 40,345
Other Investments	2,762	3,032	3,568	3,681	3,959
Endowment Investments	<u>80,886</u>	<u>87,071</u>	<u>91,760</u>	<u>94,766</u>	<u>90,172</u>
Total Cash and Investments	109,252	125,303	137,941	147,965	134,476
 Total Donor Restricted Net Assets	 <u>55,165</u>	 <u>59,816</u>	 <u>61,527</u>	 <u>60,738</u>	 <u>58,464</u>
 Total Cash & Investments, net of restricted net assets	 <u>\$54,087</u>	 <u>\$65,487</u>	 <u>\$76,414</u>	 <u>\$87,227</u>	 <u>\$76,012</u>

The oversight of the University's endowment investments rests with the Finance & Administration Committee of the Board of Trustees. The Finance & Investment Committee employs Commonfund in a comprehensive manner to manage and advise on investment activity. The University's endowment investment asset allocation as of June 30, 2020 was as follows:

Endowment Fund Asset Classes:	Allocation	
	<u>Actual</u>	<u>Target</u>
Fixed Income	20.4%	20%
Equity	55.9%	55%
Real Assets	13.4%	15%
Diversifying Strategies	10.3%	10%

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

Endowment Spending Policy. It is the University's policy to distribute annually between 2 and 7 percent of a three-year moving average of the true endowment's market value for restricted assets and an approved percentage of the board designated funds, with the understanding that this spending rate plus inflation will not normally exceed total real return (net of inflation) from investments. The historical spending rate has been 5.0%. The rate was increased in 2015, 2016, and 2017 to help offset the law school enrollment decline but returned to the historical 5% spending rate in the 2018 fiscal year. It was increased to 6.0% in 2019 and 5.5% in 2020 to fund a new marketing/branding campaign.

Endowment Investment Policy. The University has established a balanced investment policy for its endowment. The objective is to produce an average total annual return that exceeds the spending rate plus inflation. The intent of this objective is to preserve over time the principal value

of the assets as measured in real, inflation adjusted terms. The policy establishes appropriate risk and return objectives in light of the University's risk tolerance and investment time horizon.

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

Pension and Other Post-Employment Benefit Plans

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

The University established a non-funded defined benefit retirement plan for Pennsylvania Military College (PMC) and Widener College employees who were hired before the implementation of the savings plan to provide and/or supplement the individual's retirement income. The plan currently has four participants; there are no other employees who are eligible to participate in this plan. The payments for the 2020 fiscal year were \$6,986.

Total expenses relating to the above savings plan and pension payments were \$5.7 million in 2020 and \$5.3 million in 2019.

In addition, the University provides retiree health benefits to eligible retired faculty, administrative staff and other employees who meet the service requirement and retire from Widener at or after the age of 65. In September 2008, the University changed the plan from a defined benefit plan for full-time employees retiring at the age of 65 or older to a revised defined benefit plan for employees 40 or older and to a defined contribution plan for all employees under the age of 40 and employees hired after that date. The defined benefit plan had 498 participants at June 30, 2020 and 503 participants at June 30, 2019. The total post-retirement medical benefit obligation was \$65.8 million at June 30, 2020 and \$58.0 million at June 30, 2019. The net periodic benefit cost reported as an expense in the statement of activities was \$3.5 million at June 30, 2020 and \$3.4 million at June 30, 2019. The defined contribution plan had 231 participants at June 30, 2020 and 225 participants at June 30, 2019. A contribution to the defined contribution plan was not made in fiscal 2020 and a contribution of \$0.3 million was made in fiscal 2019. The plan is funded on a pay-as-you-go basis. As of September 15, 2016, the defined contribution plan was terminated for all new employees who joined the University after that date.

See Note 11 in the Notes to Financial Statements for further information concerning retirement plans and post-employment benefits.

Budget Process

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

Fundraising

Widener University began the second year of the quiet phase of a \$75 million comprehensive campaign on July 1, 2020. The campaign is intended to be a ten-year effort and remains on track, with just under \$10 million raised to-date. Fifty-five solicitations representing \$9.7 million in requests are planned for the remainder of the calendar year. FY21's fundraising total as of March 31 (over \$2.8 million) exceeds the entirety of FY20 results. While the number of total donors is down compared to the same time last year, the number of alumni donors has increased by 85. The Advancement office adapted to the pandemic by creating virtual donor and alumni engagement opportunities, such as Homecoming, donor visits, and opportunities to hear from university leaders. Many of these adaptations have been so successful that some events will continue to be virtual or hybrid going forward.

Property/Liability Insurance

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

Long-Term Indebtedness

See the section titled "DEBT SERVICE REQUIREMENTS" in the front part of the Official Statement for a table showing the University's long-term debt obligations.

Litigation

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

have a material adverse impact on the operations or the financial condition of the University. The University has been served with a putative class action suit seeking tuition refund to students for a portion of the spring 2020 semester, only. No class has been certified at this time and a Motion to Dismiss is pending with the Court.

Future Capital Plans

The University regularly invests in maintaining, updating and expanding its capital facilities to meet its needs. The University normally spends approximately \$6-10 million annually on capital expenditures. Capital expenditures of the University generally are funded from available resources of the University. Internal funds have been used occasionally for new construction, most notably Founders Hall (nursing) and Freedom Hall (communication studies, informatics and computer sciences).

The University intends to use \$20 million of proceeds from the 2021A Bonds to be issued for the renovation of an existing building (ACN) for three new Health Sciences programs (Occupational Therapy Doctorate, Speech Language Pathology and Physician's Assistant) and the resulting cascade of renovations in other campus buildings to accommodate the departments relocated from ACN. The remaining \$10 million will be used to renovate existing buildings and fund initiatives related to the Master Planning process currently underway.

Response to the Covid-19 Pandemic

Widener University's response to the COVID-19 pandemic has been decisive and successful. On March 19, 2020, Pennsylvania's Governor issued a "stay at home" order. Demonstrating the seriousness and diligence in approach, nearly a month before that, on February 27, 2020 the University issued a statement to the campus community regarding the spread of the coronavirus overseas and noting key resources. The campus paused all in-person classes on March 12 and resumed those classes remotely on March 19. By March 15, all on-campus residential students who could go home were required to move out of the residence halls. Widener's foresight and swift and decisive decision-making protected the health of the campus community.

University-Wide Response and Coordination

The University activated its Crisis Response Team on March 5, though a subset of the team had been meeting since mid-February. The Crisis Response Team consisted of the President, Provost, Vice Presidents, and representatives from the faculty, campus safety, human resources, student affairs, communications, student health services, and facilities. In addition to this group, the president appointed a Health Advisory Team comprised of medical and public health experts to provide guidance to the leadership team. Later, a Testing Logistics Team and then a Vaccine Logistics Team was put into place. The Provost worked closely with the deans, faculty, and information technology services on the change to remote teaching and learning. The University also created an internal Contact Tracing Team. In the following months, a Scrum Team, consisting of representatives from all the other teams, met on a daily basis (initially, then weekly) to launch a testing program and consider other logistics during the quickly evolving context.

The University quickly developed policies related to masking, quarantine and isolation, distancing, events, campus visitors, and COVID testing.

A Methodical Return to Campus

The University was fully remote the summer of 2020 and started a modest return to campus in fall 2020. While the vast majority of employees continued to work remotely, the University welcomed back a small number of students into single rooms in the residence halls. A limited number of classes, labs, and clinicals were also able to resume in-person with strict safeguards. There was no evidence of student-employee, employee-employee, or student-student in-class transmission of the virus during that semester.

As a result of strong safeguards coupled with increasing availability of testing, the University welcomed approximately 500 residential students and approximately 25% of classes in-person for the spring 2021 semester. To enable this larger return to campus, a bold and comprehensive COVID testing program was launched as one prong of the overall virus mitigation strategy. The plan required all students returning to the main campus to quarantine and produce a pre-arrival test with negative result no more than 72 hours before returning to campus. Students taking in-person classes at least one day a week or living on campus were part of a weekly testing protocol utilizing polymerase chain reaction (PCR) tests, which are considered to be the “gold standard” of testing. Student-athletes in “high risk” sports as defined by the NCAA were tested at least three times a week. Students on campus less than once a week and not in a “high risk” category were also required to be tested on the weeks they had classes, labs, or clinicals. The University also expanded the contact tracing program, launched a team to oversee the successful logistics of the robust on-campus testing program, and implemented a reporting system which provided daily updates and transparent data.

During the spring 2021 semester, 20,226 tests were administered on Main Campus. In total, there were 168 positive test results for a positivity rate of .83% -- well below local, regional, and national rates. Again, there was no evidence of in-class transmission of the virus.

Given these exceptional results and wide availability the vaccine and testing, Widener is planning for a “normal” fall 2021 semester.

A Successful Vaccine Push

Through a partnership with Rite Aid, the University held two vaccine clinics on campus. Through these clinics, 1,500 doses of the vaccine were offered. Additionally, in partnership with a local health system, the vaccine was offered to students and faculty who qualified for early distribution of the vaccine as current and future health care providers. Widener students and faculty have provided volunteer staffing and leadership for clinics that have distributed tens of thousands of vaccines in the region. By May 1, nearly 25% of Widener’s campus community reported being fully vaccinated. It is anticipated that the vast majority of the campus community will be vaccinated before the start of the fall 2021 semester due to initiatives in place to encourage vaccination.

Continued Program Growth

Despite the pandemic, Widener continues to focus on successful academic program growth – a strategy that has shown to be very successful to further diversify the portfolio. Since the beginning of the pandemic, the University has launched the planned Speech-Language Pathology program and planning is underway to launch the Physician Assistant’s program in summer 2023, with potential to accelerate that timeline and launch in the summer of 2022. The Occupational Therapy program, launched in summer 2019, continues to enroll as projected. The University also added a number of undergraduate majors during the pandemic.

Management Discussion

Despite the effect of the pandemic, the University did realize \$5.7 million in operating income in FY2020. (Due to a FASB pronouncement on post retirement accounting in operating income, the \$5.7 million includes \$2.4 million in additional operating income. The restated 2019 operating income is \$13.3 million.) The 2020 operating income was net of \$4.3 million in room and board refunds due to the residence halls being closed in March 2020. The University was awarded \$2.8 million in the first federal stimulus bill, the Coronavirus Aid, Relief and Economic Security (CARES) Act, one-half of which was expended directly to students for COVID related expenses and one-half of which was used to offset the room and board refunds.

Net of the room and board refunds, the Main Campus in Chester had an operating income of \$1.6 million, while the law programs generated operating income of \$4.1 million. The law programs made significant progress as their operating income of \$4.1 million exceeded the 2019 income by \$2.1 million.

Overall, net tuition revenue for FY2020 decreased for the first time since FY2016 by \$600,000. Decreases in undergraduate day and the online programs were offset by increases in the graduate, law and continuing studies programs. While smaller by 41 students, the freshmen class of 727 freshmen (Fall 2019; Academic and fiscal year 2019-2020) had a composite SAT/ACT of 1127, which was four points higher than the prior class. The freshmen-to-sophomore retention rate for the fall 2018 cohort increased from 78% to 82%. The total first year JD law cohort increased from 339 students to 352 students. This is a significant increase from the 220 matriculants in 2016.

Widener is projecting an increase in unrestricted net assets from operating activities, a positive operating gain, in fiscal 2021. Net tuition revenue is projected to increase by more than \$2.5 million, with tight expense controls offsetting pandemic-related reductions in room and board revenue. The University’s diversified set of programs has continued to mitigate the peaks and valleys of the higher education market, particularly during this pandemic moment. Additionally, the fiscal 2021 freshman class (entering in fall 2020) continued upward trends in academic quality with average SAT/ACT score of 1129 and average high school GPA of 3.50. The strength of this cohort, along with other strategic initiatives to counteract the impact of the pandemic on attrition, translated to a 94.3% fall to spring retention rate in fiscal 2021, nearly two percentage points higher than the retention rates of the prior two years. The first year JD law cohort continued the upward trajectory, enrolling 366 students in fiscal 2021.

As Widener enters a new phase of the pandemic in fiscal 2022 with the return of widespread in-person learning and significantly increased residential populations on campus, the University expects to be able to restore some of fiscal 2021's expense reductions, strategically and methodically while maintaining positive operating gains. The strong undergraduate academic profile will favorably impact revenue in fiscal 2022 as recent cohorts are expected to continue to retain at high levels. Revenue from the graduate programs are projected to increase due to continued growth in the new health sciences programs, as new cohorts enter occupational therapy and speech-language pathology in fiscal 2022, and, in fiscal 2024, the physician's assistant program. Overall law school enrollment is projected to grow in fiscal 2022 due to larger incoming class sizes enrolled in fiscal 2020 and 2021 and projected for fiscal 2022.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) is the second federal COVID stimulus bill to include funding for higher education institutions and students using the Higher Education Emergency Relief Fund (HEERF) established in the CARES Act. As part of CRRSAA, Widener was awarded \$4.5 million through HEERF II, of which \$1.3 million has already been disbursed to 4,578 students in fiscal 2021 including those pursuing undergraduate, graduate, and professional degrees. The remainder of the award will be collected in late fiscal 2021 and early fiscal 2022 with the majority to be used to defray expenses associated with coronavirus. In addition, HEERF III, created under the American Rescue Plan Act (ARPA), is projected to allocate \$8 million to the University. Widener will collect these funds in fiscal 2022, disbursing \$4.0 million to students and using the remaining institutional portion to defray expenses associated with the coronavirus.

APPENDIX B

Widener University Audited Financial Statements for the
Years Ended June 30, 2020 and 2019

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WIDENER UNIVERSITY AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019



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**WIDENER UNIVERSITY AND AFFILIATE
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Widener University and Affiliate
Chester, Pennsylvania

We have audited the accompanying consolidated financial statements of Widener University and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

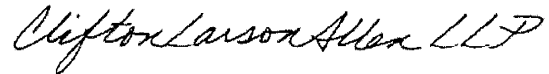
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements,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

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

Board of Trustees
Widener University and Affiliate

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Widener University and Affiliate as of June 30, 2020 and 2019 and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 6, 2020

WIDENER UNIVERSITY AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019
(DOLLARS IN THOUSANDS)

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 40,345	\$ 49,518
Accounts Receivable:		
Students (Net of Allowance for Doubtful Accounts of \$4,005 in 2020 and \$2,985 in 2019)	10,150	6,871
Affiliates (Net of Allowance for Doubtful Accounts of \$- in 2020 and \$193 in 2019)	782	668
Grants and Other	3,467	1,683
Prepaid Expenses and Other Assets	989	1,227
Contributions Receivable (Net of Allowance for Doubtful Accounts of \$957 in 2020 and \$957 in 2019)	1,112	1,271
Long-Term Investments	94,131	98,447
Loans to Students (Net of Allowance for Doubtful Accounts of \$4,720 in 2020 and \$4,320 in 2019)	6,255	7,710
Property and Equipment	450,439	434,176
Less: Accumulated Depreciation	<u>(234,358)</u>	<u>(221,433)</u>
Net Property and Equipment	<u>216,081</u>	<u>212,743</u>
Total Assets	<u><u>\$ 373,312</u></u>	<u><u>\$ 380,138</u></u>
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 14,452	\$ 18,999
Accrued Interest	1,756	1,795
Deferred Revenue and Deposits	12,108	10,564
Asset Retirement Obligation	3,909	4,214
Accrued Postretirement Benefit Obligation	65,808	58,020
Obligations Under Capital Leases	898	791
Bonds and Notes Payable	75,352	77,387
U.S. Government Grants Refundable	<u>5,826</u>	<u>6,632</u>
Total Liabilities	180,109	178,402
Net Assets:		
Without Donor Restrictions	134,739	140,998
With Donor Restrictions	<u>58,464</u>	<u>60,738</u>
Total Net Assets	<u>193,203</u>	<u>201,736</u>
Total Liabilities and Net Assets	<u><u>\$ 373,312</u></u>	<u><u>\$ 380,138</u></u>

See accompanying Notes to Consolidated Financial Statements.

WIDENER UNIVERSITY AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019
(DOLLARS IN THOUSANDS)

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Operating Activities:		
Revenue, Gains, and Other Support:		
Tuition and Fees (Net of Scholarship and Fellowships of \$89,882 in 2020 and \$87,205 in 2019)	\$ 121,289	\$ 121,898
Federal Grants and Contracts	1,383	1,459
State Grants and Contracts	661	717
Interest on Loans	131	155
Contributions	1,418	1,500
Investment Returns Designated for Current Operations:		
Endowment Spending	2,868	3,343
Other Investment Income	557	967
Miscellaneous Income	1,920	2,422
Auxiliary Enterprises	18,390	24,167
Revenues and Gains Without Donor Restrictions	<u>148,617</u>	<u>156,628</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>8,537</u>	<u>6,198</u>
Total Revenues and Gains Without Donor Restrictions	157,154	162,826
EXPENSES		
Educational and General Expenses:		
Instructional	70,188	67,246
Research	588	765
Public Service	583	516
Academic Support	13,711	14,013
Student Services	19,453	19,354
Institutional Support	24,198	24,959
Auxiliary Enterprises	21,579	22,691
CARES Act Grants To Students	1,136	-
Total Expenses	<u>151,436</u>	<u>149,544</u>
Total Operating Income	5,718	13,282
NONOPERATING ACTIVITIES		
Net (Depreciation) Appreciation in Fair Value of Investments	(2,256)	473
Net Change in Postretirement Benefit Obligation	(8,173)	(2,180)
Voluntary Retirement and Severance	(1,420)	(55)
Other	(128)	(14)
Total Loss from Nonoperating Activities	<u>(11,977)</u>	<u>(1,776)</u>
TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(6,259)	11,506
CHANGE IN NET ASSETS - WITH DONOR RESTRICTION		
Private Gifts, Grants, and Contracts	6,522	7,580
Loss on Write-Off of Pledge Receivable	80	(4,805)
Endowment Spending	2,106	1,958
Miscellaneous Income	(2)	18
Investment Returns Less Than Amounts Designated for Operations	(2,443)	658
Net Assets Released From Restrictions	(8,537)	(6,198)
Change in Net Assets With Donor Restrictions	<u>(2,274)</u>	<u>(789)</u>
CHANGE IN NET ASSETS	(8,533)	10,717
Net Assets - Beginning of Year	<u>201,736</u>	<u>191,019</u>
NET ASSETS - END OF YEAR	<u><u>\$ 193,203</u></u>	<u><u>\$ 201,736</u></u>

See accompanying Notes to Consolidated Financial Statements.

WIDENER UNIVERSITY AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019
(DOLLARS IN THOUSANDS)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (8,533)	\$ 10,717
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	12,958	12,452
Net Appreciation in Fair Value of Investments	(356)	(6,454)
Contributions Restricted for Long-Term Investment	(204)	2,303
Changes in Assets and Liabilities:		
Accounts Receivable (Gross)	(6,197)	(1,481)
Allowance for Doubtful Accounts	1,020	578
Contributions Receivable	159	3,825
Prepaid Expenses and Other Assets	238	648
Accounts Payable and Accrued Expenses, Net of Investing Activities	(4,547)	(228)
Accrued Interest	(39)	(44)
Deferred Revenue and Deposits	1,544	(360)
Asset Retirement Obligation	(305)	201
Postretirement Benefit Obligation	7,788	1,609
Net Cash Provided by Operating Activities	<u>3,526</u>	<u>23,766</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Decrease in Loans to Students	1,455	2,281
Purchase of Property and Equipment	(15,824)	(17,839)
Proceeds from Sales of Investments	36,110	37,073
Purchases of Investments	(31,437)	(33,735)
Net Cash Used by Investing Activities	<u>(9,696)</u>	<u>(12,220)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Long-Term Investment	204	(2,303)
Payments Under Capital Leases	(334)	(288)
Repayments on Bonds Payable	(2,066)	(1,971)
Net Change in U.S. Government Grants Refundable	(807)	(79)
Net Cash Used by Financing Activities	<u>(3,003)</u>	<u>(4,641)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(9,173)</u>	<u>6,905</u>
Cash and Cash Equivalents - Beginning of Year	<u>49,518</u>	<u>42,613</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 40,345</u>	<u>\$ 49,518</u>
SUPPLEMENTAL DISCLOSURE		
Cash Paid for Interest Expense, Net of Capitalized Interest	<u>\$ 3,924</u>	<u>\$ 3,967</u>
NONCASH TRANSACTIONS		
Equipment Financed with Capital Leases	<u>\$ 440</u>	<u>\$ 601</u>
Accounts Payable for Capital Projects	<u>\$ -</u>	<u>\$ 3,014</u>

See accompanying Notes to Consolidated Financial Statements.

**WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Operations

Founded in Wilmington, Delaware, in 1821, Widener University (the University) comprises eight schools and colleges that offer liberal arts and sciences, professional, and pre-professional curricula. A metropolitan teaching institution, the University is a three-campus university offering more than 150 programs of study leading to one of 90 associate, bachelors, masters, or doctoral degrees. The University's schools include the College of Arts and Sciences, School of Business Administration, School of Engineering, School of Human Service Professions, Delaware Law School, Commonwealth Law School, the School of Nursing, and the Center for Extended Learning.

The University is incorporated in both the Commonwealth of Pennsylvania and the state of Delaware. The University is a private, nonprofit institution of higher education with campuses in Chester, Pennsylvania; Harrisburg, Pennsylvania; and Wilmington, Delaware. The consolidated financial statements of the University have been prepared on the accrual basis of accounting. The significant accounting policies followed by the University are described below to enhance the usefulness of the financial statements for the reader.

During fiscal year 2016, Cares Twenty One S.R.L. (the Affiliate) was formed in Costa Rica. The Affiliate's purpose is to own and operate a property within Costa Rica for educational purposes. The University is the sole owner of the Affiliate.

Basis of Presentation

The University's consolidated financial statements are prepared in accordance with generally accepted accounting principles for nonprofit organizations.

Net assets and revenues, expenses, gains, and losses are classified as without donor restrictions or with donor restrictions based on the absence or existence of donor-imposed restrictions as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions – Net assets whose use by the University are subject to donor-imposed stipulations that may or will be met either by actions of the University or the passage of time are reported as net assets with donor restrictions. Additionally, funds received as gifts which have been accepted with the donor stipulation that the principal be maintained intact in perpetuity are reported as net assets with donor restrictions. The investment returns on these gifts held in perpetuity are included in net assets with donor restrictions until such time that the funds are drawn in accordance with the University's spending policy and utilized in accordance with the donor restriction.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

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

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

Contributions made toward long-lived assets are held as net assets with donor restrictions until the asset is placed in service. At such time, the contribution is considered to be released from restriction and reclassified to net assets without donor restriction.

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

- (1) As increases in net assets with donor restriction if the terms of the gift or the University interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;
- (2) As increases in net assets with donor restriction based upon relevant state law or if the terms of the gift impose restrictions on the use of the income; or
- (3) As increases in net assets without donor restrictions in all other cases.

Commonwealth of Pennsylvania law permits the University to allocate to income each year a portion of endowment net realized gains under an endowment spending policy, limited to 7% of the trailing three-year average of the market value of the endowment assets. Since endowment net realized and unrealized gains may eventually be spent by the University, endowment net realized and unrealized gains are recorded in the financial statements as net assets with donor restriction until transferred to net assets without donor restrictions.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principals of Consolidation

The consolidated financial statements of the University include the accounts of the Affiliate. All significant inter-organizational transactions have been eliminated in these consolidated financial statements.

Nonoperating Activities

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

Cash and Cash Equivalents

Cash equivalents include all highly liquid interest-bearing deposits with maturities of three months or less at time of purchase, except those held for long-term investment purposes. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times the University's cash may exceed FDIC insurable limits.

Investments

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

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

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

Accounts Receivable

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

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost, net of depreciation, except for gifts of physical properties, which are recorded at their appraised value when received. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets: buildings, 50 years; building improvements, 15 years; equipment, 7 years; and personal computers, 4 years. Capital expenses greater than \$10,000 are capitalized.

Art Collection

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

Deferred Revenue

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

U.S. Government Grants Refundable

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

Asset Retirement Obligation

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

Fair Value of Financial Instruments

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

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

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

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

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

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

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Use of Estimates

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

Self-Insurance

The University maintains a self-insurance program for its employees' health care costs beginning in November 2016. The University is liable for losses on claims up to \$175 per claim and \$10,500 in total for the year. The University has third-party insurance coverage for any losses in excess of such amounts. Self-insurance costs are accrued based on claims reported as of the statement of financial position date as well as an estimated liability for claims incurred but not reported. The total accrued liability for self-insurance costs was \$1,796 and \$1,935 as of June 30, 2020 and 2019, respectively.

Federal Income Taxes

The University has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code. As such, it is subject to tax only on income from activities unrelated to its tax-exempt mission. For the years ended June 30, 2020 and 2019, the University generated no significant unrelated business income subject to tax, and no provision for income taxes was provided. The University believes it has taken no significant uncertain tax positions.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tuition and Fee Revenue

The University recognizes revenue from student tuition and fees within the fiscal year in which educational services are provided. Any payments received in advance are classified as deferred revenue in the accompanying consolidated statements of financial position. The University provides financial aid to eligible students, generally in a package that can include loans, compensation under work-study programs, and/or grant and scholarship awards. The loans are provided primarily through programs with the U.S. government under which the University is responsible only for certain administrative duties. The grant and scholarships include awards provided from gifts and grants from private donors, income earned on endowment funds restricted for student aid, and University funds.

Four summer terms are offered: half summer I from mid-May to the end of June; half summer II from early July to mid-August; full-term summer I from mid-May to mid-August; and full-term summer II from end of May to mid-August. Payments of tuition and housing for all of the summer terms are recognized as performance obligations are met. Because the academic terms for Full-term Summer I and II span two reporting periods, a portion of the revenues are included in deferred revenue.

Sponsored Awards

The University receives sponsored program funding from various governmental and corporate sources. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large.

Revenues from exchange transactions are recognized as performance obligations are satisfied.

Revenues from non-exchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligations to make future payments). Revenues from conditional non-exchange transactions are recognized when the barrier is satisfied.

Indirect costs recovered on federally sponsored programs are generally based on predetermined reimbursement rates, which are stated as a percentage and distributed based on the modified total direct costs incurred. The University negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors. Funds received for sponsored research activity are subject to audit. Based upon information currently available, management believes that any liability resulting from such audits will not materially affect the financial position or operations of the University.

**WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Auxiliary Enterprises Revenue

Auxiliary enterprises revenue includes revenues from contracts with customers to provide student housing and dining facilities, the campus store, child development center and other miscellaneous activities. Performance obligations for housing and dining services are delivered over the academic terms. Consequently, revenue from housing and dining services is recognized ratably as services are rendered.

Reclassifications

Certain reclassifications have been made to the 2019 amounts to conform to the 2020 presentation.

Adoption of New Accounting Standard

The University has adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The amendments in this ASU require that an employer disaggregate the service cost component from the other components of net benefit cost. The amendments also provide explicit guidance on how to present the service cost component and the other components of net benefit cost in the statement of activities and allow only the service cost component of net benefit cost to be eligible for capitalization. Adoption of ASU 2017-07 resulted in the reclassification of the presentation of the other components of net benefit cost between operating and non-operating expenses. As required by this ASU, the amendments were applied retrospectively for the presentation of the service cost component and the other components of net periodic postretirement benefit cost in the statement of activities

NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue Recognition

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred to our customers (students), in an amount that reflects the consideration we expect to be entitled in exchange for those goods or services.

The following table shows the University's tuition revenue disaggregated according to the timing of transfer of goods or service and by source:

Revenue Recognized over Time:	Year Ended June 30, 2020	Year Ended June 30, 2019
Undergraduate Tuition and Fees	\$ 59,153	\$ 60,590
Extended Learning Tuition and Fees	2,584	2,317
Graduate Tuition and Fees	59,552	58,991
Total	<u>\$ 121,289</u>	<u>\$ 121,898</u>

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The following table shows the University's auxiliary revenues disaggregated according to the timing of transfer of goods or service and by source:

Revenue Recognized over Time:		Year Ended June 30, 2020		Year Ended June 30, 2019
Housing	\$	10,954	\$	14,346
Dining		6,885		9,070
Other		551		751
Total	\$	18,390	\$	24,167

Performance Obligations and Revenue Recognition

The University has four academic terms: fall, spring, summer 1, and summer 2. Tuition revenue is recognized in the fiscal year in which the academic programs are delivered. Auxiliary revenue is recognized in the fiscal year in which housing and food services are provided. Any payments received prior to fiscal year end related to academic terms that occur subsequent to fiscal year end are recorded as deferred revenue in the accompanying consolidated statements of financial position.

Customer contracts generally have separately stated prices for each performance obligation contained in the contract. Therefore, each performance obligation generally has its own standalone selling price. Arrangements for payment are agreed to prior to registration of the student's first academic term. Generally, payments for tuition, fees and auxiliaries are due approximately two weeks prior to the start of the academic terms. Students may also enter into a payment plan in which payment is due at predetermined dates during the course of a semester. Many students obtain Title IV or other financial aid resulting in the University receiving a significant amount of the transaction price at the beginning of the academic term.

Transaction Price

Revenue, or transaction price, is measured as the amount of consideration expected to be received in exchange for transferring goods or services. Tuition and auxiliary revenues are reported at established rates.

Students may receive discounts, scholarships or refunds, which gives rise to variable consideration. The amount of discounts or scholarships are applied to individual student accounts when such amounts are awarded. Therefore, the transaction price is reduced directly by these discounts or scholarships from the amount of the standard rates charged.

Students who adjust their course load or withdraw completely within the first 8 days of the academic term (add/drop period) may receive a full or partial refund in accordance with the University's refund policy. Once the add/drop period passes, students are no longer eligible for a refund.

**WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

If a student withdraws prior to completing an academic term, federal regulations permit the University to retain only a set percentage of the total tuition and auxiliary revenues received from such student, which varies with, but generally equals or exceeds, the percentage of the academic term completed by such student. Payment amounts received by the University in excess of such set percentages of tuition are refunded to the student or the appropriate funding source.

Management reassesses collectability throughout the period revenue is recognized by the University based on the aging of the students' accounts receivable balances.

Contract Balances

Tuition, fees and auxiliary revenues are recognized in the period classes and services are provided and amounts received for future periods are reported as deferred revenue. Students are billed at the beginning of each academic term and payment is due at pre-established dates prior to the start of the academic term. The University's performance obligations are to provide educational services in the form of instruction as well as housing facilities and meals during the academic term. As these performance obligations are satisfied over the academic term, deferred revenue is reduced.

The activity and balances for deposits and deferred revenue from contracts with customers are shown in the following table:

	Summer Terms (Tuition & Housing)	Student Organizations	Other Organizations	Deposits	Total
Balance at June 30, 2018	\$ 10,444	\$ 320	\$ 95	\$ 65	\$ 10,924
Revenue Recognized	(10,444)	(320)	(95)	(65)	(10,924)
Payments Received and/or Amounts Billed in Advance of Performance	10,149	274	125	16	10,564
Balance at June 30, 2019	10,149	274	125	16	10,564
Revenue Recognized	(10,149)	(274)	(125)	(16)	(10,564)
Payments Received and/or Amounts Billed in Advance of Performance	11,705	284	91	28	12,108
Balance at June 30, 2020	\$ 11,705	\$ 284	\$ 91	\$ 28	\$ 12,108

The balance of deferred revenue at June 30, 2020 will be recognized as revenue over the related academic term beginning on July 1, 2020 as services are rendered.

Practical Expedients

As the University's performance obligations have an original expected duration of one year or less, the University has applied the practical expedient to not disclose the amount of the transaction price allocated to our performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and when the entity expects to recognize this amount as revenue. All consideration from contracts with customers is included in the transaction price.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 LIQUIDITY

To help manage unanticipated liquidity needs, the University has signed a line of credit in the amount of \$5,000 in 2018 which it could draw upon. Additionally, the University has a quasi-endowment of \$40,900. Although the University does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from its quasi-endowment could be made available if necessary. However, both the quasi-endowment and donor endowment contain lock-up provisions that would reduce the total investments that could be made available.

The University's financial assets due within one year of the balance sheet date for general expenditure are as follows at June 30:

	2020	2019
Cash and Cash Equivalents	\$ 40,345	\$ 49,518
Student Receivable	10,150	6,871
Affiliates Receivable	782	668
Grants and Other Receivables	3,467	1,683
	<u>\$ 54,744</u>	<u>\$ 58,740</u>

The University endowment funds consist of donor endowment and quasi-endowment. Income from the donor endowment is restricted for specific purposes and, therefore, is not available for general expenditure. The quasi-endowment has a spending rate of 5.5% and 6.2% for the years ended June 30, 2020 and 2019, respectively.

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows at June 30:

	2020	2019
Unconditional Promised Expected to be Collected:		
Within One Year	\$ 40	\$ 82
Between One and Five Years	2,085	2,277
After Five Years	62	28
	<u>2,187</u>	<u>2,387</u>
Less:		
Allowance for Uncollectible Contributions Receivable	(957)	(957)
Present Value Discount (1.2% - 3.4%)	(118)	(159)
	<u>\$ 1,112</u>	<u>\$ 1,271</u>

Development costs were \$2,184 and \$1,891 for the years ended June 30, 2020 and 2019, respectively.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS

The University records investments at fair value. Long-term investments are comprised primarily of the endowment funds, which has a fair value of \$90,187 and \$94,575 as of June 30, 2020 and 2019, respectively, and are invested through fund managers.

The University has investments in University Technology Park, Inc. and Uno Providence LLC, which are recorded using the equity method of accounting and totaled \$767 and \$750 as of June 30, 2020 and 2019, respectively.

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

	<u>2020</u>	<u>2019</u>
Equity Funds	\$ 54,633	\$ 58,607
Commodities	2,963	2,606
Venture Capital	5,414	4,493
Natural Resources	6,779	8,158
Fixed Income	18,218	18,162
Real Estate	2,201	2,572
Money Market Funds	88	68
Other	3,068	3,031
Total	<u>\$ 93,364</u>	<u>\$ 97,697</u>

Investment fees were \$69 and \$164 for the years ended June 30, 2020 and 2019, respectively.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS (CONTINUED)

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

	Fair Value	Fair Value Measurements at June 30, 2020 Using		
		Level 1	Level 2	Level 3
Assets:				
Equity Funds	\$ 108	\$ 108	\$ -	\$ -
Other	3,069	3,069	-	-
Subtotal	3,177	3,177	-	-
Investments Measured at Fair Value using Net Asset Value per Share	90,187			
Equity Method Investments	767			
Total Investments	<u>\$ 94,131</u>			

	Fair Value	Fair Value Measurements at June 30, 2019 Using		
		Level 1	Level 2	Level 3
Assets:				
Equity Funds	\$ 88	\$ 88	\$ -	\$ -
Money Market Funds	1	1	-	-
Other	3,033	3,033	-	-
Subtotal	3,122	3,122	-	-
Investments Measured at Fair Value using Net Asset Value per Share	94,575			
Equity Method Investments	750			
Total Investments	<u>\$ 98,447</u>			

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS (CONTINUED)

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

June 30, 2020		
Investment Category	Investment Strategy	Redemption Terms
Strategic Solutions Global Equity LLC	Equity	Monthly, with 5 days prior notice
State Street Inst US Govt Money Mkt Fund	Fixed	Daily, by 3:00 PM EST Day of Transaction
High Quality Bond Fund	Fixed	Weekly, with 5 days prior notice
CF Credit Series	Fixed	Monthly, with 90 Days Prior Notice
Global Absolute Alpha Company A	Hedge Fund	Quarterly, with 65 days prior notice
SSgA S&P Global LargeMidCap Natural Resr	Natural Resources	Monthly, with 30 days prior notice
SSgA Tuckerman US REIT Index NL QP	Real Assets	Daily, with 2 days prior notice

June 30, 2019		
Investment Category	Investment Strategy	Redemption Terms
Strategic Solutions Global Equity	Equity	Monthly, with 5 Days Prior Notice
State Street Inst US Govt Money Mkt Fund	Fixed	Daily, by 3:00 PM EST Day of Transaction
High Quality Bond Fund	Fixed	Weekly, with 5 Days Prior Notice
CF Credit Series	Fixed	Monthly, with 90 Days Prior Notice
Global Absolute Alpha Company	Hedge Fund	Quarterly, with 65 Days Prior Notice
SSgA S&P Global Large Midcap Nat Res	Natural Resources	Monthly, with 30 Days Prior Notice
SSgA US High Yield Bond Index Common Tru	Real Assets	Daily, with 2 Days Prior Notice
SSgA Tuckerman US REIT Index NL QP	Real Assets	Daily, with 2 Days Prior Notice

The University has \$22,955 and \$23,430 as of June 30, 2020 and 2019, respectively, of investments in nonmarketable alternative investment funds which are reported at estimated fair value. The unobservable inputs used to determine the fair value of these investments have been estimated based on the net asset value per share as provided by the investment managers as the practical expedient estimate of fair value of the investment without further adjustment. All of those investments are redeemable with the fund at net asset value under the original terms of the partnership agreements and/or subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the University's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the University were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS (CONTINUED)

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

The University's nonmarketable investments are generally not redeemable as of June 30, 2020 and 2019. Major categories held at June 30, and their significant investment strategies include:

June 30, 2020	
Alternative Investment Category	Investment Strategy
Private Equity Partners VI	Private Equity
Private Equity Partners VII	Private Equity
CCI-SSG Global Private Equity Fund	Private Equity
CCI-SSG Global Private Equity Fund II, L	Private Equity
CCI-SSG Global Private Equity Fund III	Private Equity
Int'l Private Equity Partners V	International Equity
Int'l Private Equity Partners VI	International Equity
Venture Partners VII	Venture
Venture Partners VIII	Venture
Venture Partners IX	Venture
Venture Partners XI	Venture
Venture Partners XII	Venture
Venture Partners XIII	Venture
Commonfund Private Credit Fund 2018	Private Capital
Cerberus Offshore LLOF III, L.P.	Private Capital
Natural Resources Partners VII	Natural Resources
Natural Resources Partners VIII	Natural Resources
Natural Resources Partners IX	Natural Resources
Natural Resources Partners XI ¹	Natural Resources
Strategic Solutions Core Real Estate Fd.	Real Estate
SSG Realty Opportunities Fund 2014	Real Estate
Commonfund Real Estate Opportunity Fund	Real Estate
June 30, 2019	
Alternative Investment Category	Investment Strategy
Private Equity Partners VI	Private Equity
Private Equity Partners VII	Private Equity
CCI-SSG Global Private Equity Fund	Private Equity
CCI-SSG Global Private Equity Fund II, L	Private Equity
Int'l Private Equity Partners V	International Equity
Int'l Private Equity Partners VI	International Equity
Venture Partners VII	Venture
Venture Partners VIII	Venture
Venture Partners IX	Venture
Venture Partners XI	Venture
Venture Partners XII	Venture
Commonfund Private Credit Fund 2018	Private Capital
Cerberus Offshore LLOF III, L.P.	Private Capital
Natural Resources Partners VII	Natural Resources
Natural Resources Partners VIII	Natural Resources
Natural Resources Partners IX	Natural Resources
Natural Resources Partners XI	Natural Resources
Strategic Solutions Core Real Estate Fd.	Real Estate
SSG Realty Opportunities Fund 2014	Real Estate

**WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 5 INVESTMENTS (CONTINUED)

The University's best estimate of the remaining life of finite-lived investments, the amount of the University's unfunded commitments related to the investment at June 30 2020, and the terms and conditions upon which the University may redeem its investment for each major category of alternative investments are summarized below:

Alternative Investment Category	Estimated Remaining Life	Unfunded Commitments at June 30, 2020	Redemption Terms
Private Equity Partners VI	0	\$ 37	N/A
Private Equity Partners VII	2	41	N/A
CCI-SSG Global Private Equity Fund	9	874	N/A
CCI-SSG Global Private Equity Fund II, L ¹	9	1,536	N/A
CCI-SSG Global Private Equity Fund III, ¹	12	2,940	N/A
Int'l Private Equity Partners V	0	26	N/A
Int'l Private Equity Partners VI	2	39	N/A
Venture Partners VII	0	12	N/A
Venture Partners VIII	2	25	N/A
Venture Partners IX	5	21	N/A
Venture Partners XI ¹	9	331	N/A
Venture Partners XII ¹	9	1,205	N/A
Venture Partners XIII ¹	10	1,860	N/A
Commonfund Private Credit Fund 2018, L.P.	9	831	N/A
Cerberus Offshore LLOF III, L.P.	0	474	N/A
Natural Resources Partners VII	1	20	N/A
Natural Resources Partners VIII	3	29	N/A
Natural Resources Partners IX	6	470	N/A
Natural Resources Partners XI ¹	9	1,636	N/A
SSG Realty Opportunities Fund 2014	4	667	N/A
Commonfund Real Estate Opportunity Fund	9	3,706	N/A
		<u>\$ 16,780</u>	

NOTE 6 STUDENT LOANS RECEIVABLE

The University issues uncollateralized loans to students based on financial need. Student loans are funded through the Perkins Federal Loan Program. Allowances for doubtful accounts are established based upon prior collection experience and current economic factors, which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 STUDENT LOANS RECEIVABLE (CONTINUED)

Student loans receivable consist of the following:

	2020	2019
Federal Government Programs, Gross	\$ 10,975	\$ 12,030
Less: Allowance for Doubtful Accounts		
Beginning of Year	(4,320)	(2,935)
Increases	(400)	(1,385)
Write-offs	-	-
End of Year	(4,720)	(4,320)
Student Loans Receivable, Net	<u>\$ 6,255</u>	<u>\$ 7,710</u>

Government advances and related interest earned on Perkins Loans of \$5,826 and \$6,632 as of June 30, 2020 and 2019, respectively, are ultimately refundable to the United States Government and thus are reported as a liability.

NOTE 7 PROPERTY AND EQUIPMENT

At June 30, property and equipment were as follows:

	2020	2019
Land	\$ 19,617	\$ 17,396
Buildings		
Cost of Buildings	217,944	220,165
Less: Accumulated Depreciation	(86,702)	(82,756)
Net Cost of Buildings	131,242	137,409
Building Improvements		
Cost of Improvements	135,774	114,875
Less: Accumulated Depreciation	(80,948)	(74,804)
Net Cost of Improvements	54,826	40,071
Furniture and Equipment		
Cost of Furniture and Equipment	66,443	64,438
Less: Accumulated Depreciation	(57,351)	(55,190)
Net Cost of Furniture and Equipment	9,092	9,248
Computers		
Cost of Computers	10,660	10,163
Less: Accumulated Depreciation	(9,356)	(8,683)
Net Cost of Computer Equipment	1,304	1,480
Construction in Progress	-	7,139
Net Property and Equipment	<u>\$ 216,081</u>	<u>\$ 212,743</u>

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 7 PROPERTY AND EQUIPMENT (CONTINUED)

The University has asset retirement obligations arising from regulatory requirements to perform certain asset retirement activities at the time of disposal of certain capital assets. The liability was initially recorded at fair value, and is adjusted for accretion expenses and changes in the amount or timing of cash flows. The corresponding asset retirement costs are capitalized as part of the carrying values of the related long-lived assets and depreciated over the useful lives of the assets. The discount rate is 5% for 2020 and 2019. The liability relates to estimated costs to remove asbestos that is contained within the University's facilities, and is as follows for the years ended June 30:

	2020	2019
Asset Retirement Obligation - Beginning of Year	\$ 4,214	\$ 4,013
Accretion	186	201
Less: Disposals	(491)	-
Asset Retirement Obligation - End of Year	<u>\$ 3,909</u>	<u>\$ 4,214</u>

Depreciation and accretion costs are approximately \$289 and \$229 for the years ended June 30, 2020 and 2019, respectively.

NOTE 8 CAPITAL LEASES

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

	2020	2019
Furniture and Equipment	\$ 451	\$ 451
Computers	3,052	2,612
Less: Accumulated Depreciation	(2,743)	(2,445)
Net of Accumulated Depreciation	<u>\$ 760</u>	<u>\$ 618</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2020:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 274
2022	274
2023	274
2024	<u>114</u>
Total Minimum Lease Payments	936
Less: Amount Representing Interest	(38)
Present Value of Net Minimum Lease Payments	<u>\$ 898</u>

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 OPERATING LEASES

The University has noncancelable operating leases ending in 2021 through 2023 for certain facilities and equipment. Rental expense under these agreements was \$209 and \$188 for the years ended June 30, 2020 and 2019, respectively. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 125
2022	47
2023	1

NOTE 10 LONG-TERM DEBT

Bonds and notes payable comprise the following:

	<u>Dated</u>	<u>Security</u>	<u>Due Serially to</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Outstanding Principal Balance June 30</u>	
						<u>2020</u>	<u>2019</u>
Pennsylvania Higher Education Facilities Authority Bonds	2013	Dormitory	2043	\$ 11,980	5.50%	\$ 11,980	\$ 11,980
Pennsylvania Higher Education Facilities Authority Bonds	2013A	Refinancing	2038	52,875	4.00% to 5.50%	46,590	48,030
Pennsylvania Higher Education Facilities Authority Bonds	2014	Refinancing	2038	19,605	2.00% to 5.00%	16,750	17,340
						75,320	77,350
Unamortized Discount on Bonds						(339)	(353)
Unamortized Premium on Bonds						1,044	1,095
Unamortized Issuance Costs on Bonds						(673)	(705)
Bonds Payable						<u>\$ 75,352</u>	<u>\$ 77,387</u>

In August 2013, the University borrowed \$11,980 for the construction of dormitory facilities on the Main Campus. Financing was arranged through a bond offering with the Authority. The bond offering original principal consisted of term bonds of \$1,235 that bear interest at 5.5% and are due on July 15, 2035; term bonds of \$2,130 that bear interest at 5.5% and are due on July 15, 2038; and term bonds of \$8,615 that bear interest at 5.5% and are due on July 15, 2043.

**WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 10 LONG-TERM DEBT (CONTINUED)

In November 2013, the University borrowed \$52,875 for the refinancing of the 2003 revenue bonds and the partial refinancing of the 2005 revenue bonds. The 2003 revenue bonds were for the refinancing of the 1992, 1993, 1996, and 2000 revenue bonds, as well as the construction of a Science and Engineering building on the Main Campus. Financing was arranged through a bond offering with the Authority. The 2013A bond offering original principal consisted of \$22,995 of serial bonds that bear interest at the annual rate of 4.0% to 5.25% and are due over thirteen years beginning July 15, 2015 and maturing July 15, 2028; term bonds of \$4,840 that bear interest at 5.0% and are due on July 15, 2030; term bonds of \$8,270 that bear interest at 5.25% and are due on July 15, 2033; and term bonds of \$16,770 that bear interest at 5.5% and are due on July 15, 2038.

In September 2014, the University borrowed \$19,605 for the refinancing of the 2005 revenue bonds. Financing was arranged through a bond offering with the Authority. The bond offering original principal consisted of \$14,705 of serial bonds that bear interest at the annual rate of 2.0% to 5.0% and are due over nineteen years beginning July 15, 2015 and maturing July 15, 2034; term bonds of \$4,900 that bear interest at 5.0% and are due on July 15, 2038.

Total interest was \$3,814 and \$3,886 for the year ended June 30, 2020 and 2019, respectively.

At June 30, 2020, the University's obligations mature as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 2,120
2022	2,225
2023	2,325
2024	2,425
2025	2,535
Thereafter	63,690
Total	<u>\$ 75,320</u>

NOTE 11 EMPLOYEE BENEFIT PLANS

The University has a 403(b) tax-deferred saving plan for faculty, administrative staff, and other employees. The plan is funded by the purchase of individual annuity contracts and mutual funds. The University makes a matching contribution of 100% of participants' deferrals up to the first 5% after the employee has met the age and service requirements. The University also makes a nondiscretionary employer contribution of 5% of eligible compensation for employees, even if the employees have not elected to make their own deferral contributions after they meet the age and service requirements. Employees vest immediately in all contributions made by the University.

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

Total expense relating to the above savings plans and pension payments was \$5,713 and \$5,283 for the years ended June 30, 2020 and 2019, respectively.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 11 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

	2020	2019
Change in Benefit Obligation		
Benefit Obligation at Beginning of Year	\$ 58,020	\$ 56,411
Service Cost	1,157	1,160
Interest Cost	1,919	2,200
Plan Participants' Contributions	204	242
Actuarial (Gain) Loss	6,253	(20)
Benefits Paid	(1,804)	(2,009)
Medicare Part D Prescription Drug Federal Subsidy	59	36
Benefit Obligation at End of Year	<u>\$ 65,808</u>	<u>\$ 58,020</u>

Net periodic postretirement benefit cost (service cost reported as an expense, the remaining components reported as a part of the net change in postretirement benefit obligation, in the consolidated statements of activities) includes the following components:

	2020	2019
Service Cost	\$ 1,157	\$ 1,160
Interest Cost	1,919	2,200
Amortization of Prior Service Credit	(36)	(36)
Amortization of Unrecognized Loss	505	86
Net Periodic Postretirement Benefit Cost	<u>\$ 3,545</u>	<u>\$ 3,410</u>

The accumulated postretirement benefit obligation was determined using a discount rate of 2.75% in 2020 and 3.57% in 2019 and a healthcare cost trend rate of 5.90% in 2020 and 7.05% in 2019. This rate gradually decreases to 4.5% by the year 2030 and remains constant thereafter. Increasing the assumed healthcare cost trend rate by 1.0% in each year and holding all other assumptions constant would increase accumulated postretirement benefit obligation approximately \$11,577 and \$10,035 at June 30, 2020 and 2019, respectively, and increase the aggregate of the service and interest cost components of the net periodic postretirement benefit cost by \$588 and \$605 for the years ended June 30, 2020 and 2019, respectively.

The University's expected employer contributions are \$1,855 for the year ending June 30, 2021.

**WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 11 EMPLOYEE BENEFIT PLANS (CONTINUED)

At June 30, 2020, the University's expected future benefit payments for future service are as follows:

Estimated Future Benefits Payments Reflecting Expected Future Service for <u>the Fiscal Year Ending June 30:</u>	<u>Amount</u>
2021	\$ 1,739
2022	1,888
2023	2,057
2024	2,222
2025	2,394
2026 - 2030	14,023

At June 30, 2020, the items not yet recognized as a component of net periodic postretirement benefit cost are as follows:

Unrecognized Prior Service Cost	\$ (82)
Unrecognized Net Loss	12,041
Total Unamortized Items	<u>\$ 11,959</u>

In addition to service and interest costs, the components of projected net periodic postretirement benefit cost for fiscal 2020 are amortization of prior service cost of approximately \$36 and amortization of net actuarial losses of approximately \$505.

NOTE 12 NET ASSET BALANCES

Net assets with donor restrictions related to purpose restrictions consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Funds Held for Accumulated Gains on True Endowment	\$ 10,311	\$ 12,724
Funds Held for Scholarships	2,466	2,118
Funds Held for Special Projects	5,645	6,073
	<u>\$ 18,422</u>	<u>\$ 20,915</u>

Net assets with donor restrictions related to endowment funds consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Funds Held in Support of Scholarships	\$ 19,210	\$ 19,048
Funds Held in Support of Academic Professorships	6,109	6,096
Funds Held in Support of General Operations	2,317	2,321
Funds Held for Other Purposes	11,616	11,568
Land Held for Conservation	790	790
	<u>\$ 40,042</u>	<u>\$ 39,823</u>

**WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 13 ENDOWMENTS

The University's endowment consists of 322 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

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

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by relevant law. Pennsylvania law permits the board of trustees to make an election to annually appropriate for expenditure a selected percentage between 2% and 7% of the fair value of the assets related to donor-restricted endowment funds averaged over a period of three or more preceding years, provided the board of trustees has determined that such percentage is consistent with the long-term preservation of the real value of such assets.

Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

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

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 13 ENDOWMENTS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The University has a policy of appropriating for distribution each year up to a board-approved percentage of its funds based on the average three-year rolling market value. The board-approved spending rate was 5.5% and 6.0% for the years ended June 30, 2020 and 2019, respectively. In establishing this policy, the University considered the long-term expected return on its funds. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow annually. This is consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift amount. There were no deficiencies of this nature as of June 30, 2020 and 2019.

Net Asset Classifications of Endowment Funds

Net asset classification by type of endowment as of June 30, 2020:

	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 50,194	\$ 50,194
Board-Designated Endowment Funds	40,900	-	40,900
	<u>\$ 40,900</u>	<u>\$ 50,194</u>	<u>\$ 91,094</u>

Changes in endowment net assets for the year ended June 30, 2020:

	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, Beginning of Year	\$ 43,279	\$ 52,272	\$ 95,551
Investment Return			
Investment Loss	(16)	(31)	(47)
Net Appreciation (Realized and Unrealized Gains and Losses)	209	82	291
Total Investment Loss	193	51	244
Contributions	-	351	351
Loss on Write Off of Pledges	-	(80)	(80)
Appropriation of Endowment Assets for Expenditure	(2,572)	(2,400)	(4,972)
	<u>\$ 40,900</u>	<u>\$ 50,194</u>	<u>\$ 91,094</u>

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 13 ENDOWMENTS (CONTINUED)

Net Asset Classifications of Endowment Funds (Continued)

Net asset classification by type of endowment as of June 30, 2019:

	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 52,272	\$ 52,272
Board-Designated Endowment Funds	43,279	-	43,279
	<u>\$ 43,279</u>	<u>\$ 52,272</u>	<u>\$ 95,551</u>

Changes in endowment net assets for the year ended June 30, 2019:

	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, Beginning of Year	\$ 43,234	\$ 53,258	\$ 96,492
Investment Return			
Investment Income	231	256	487
Net Appreciation (Realized and Unrealized Gains and Losses)	<u>2,750</u>	<u>3,234</u>	<u>5,984</u>
Total Investment Loss	2,981	3,490	6,471
Contributions	100	2,593	2,693
Loss on Write Off of Pledges	-	(4,804)	(4,804)
Appropriation of Endowment Assets for Expenditure	<u>(3,036)</u>	<u>(2,265)</u>	<u>(5,301)</u>
	<u>\$ 43,279</u>	<u>\$ 52,272</u>	<u>\$ 95,551</u>

NOTE 14 CONTINGENCIES

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

Since 1997, the University has also guaranteed, on a joint and several basis with another entity, certain loans to finance the building of the University Technology Park, Inc. These loans amount to approximately \$2,800 as of June 30, 2020, of which the University has guaranteed \$1,400 of these loans.

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

The University did not have any outstanding construction commitments as of June 30, 2020.

**WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 15 RELATED PARTIES

The University is the sole member of the Widener Partnership Charter School, Inc., (the School) a non-profit corporation. The School's bylaws stipulate that the University will nominate and elect the members of the School's Board of Trustees and that there shall be no less than ten (10) and no more than twenty (20) trustees. The School also has an arrangement with the University that the School will reimburse the University for general and administrative services rendered at a rate of 3% of tuition revenue for the years ended June 30, 2020 and 2019. As of June 30, 2020 and 2019, the School has a payable to the University in the amount of \$198 and a payable of \$10, respectively. Rent expense charged to the School from the University for use of the school building was \$700 for the years ended June 30, 2020 and 2019. Related party expenses charged to the School from the University for management and professional services were \$178 and \$176 for the years ended June 30, 2020 and 2019, respectively.

The University is the sole member of the Neuropsychology Assessment Center (NAC), a non-profit corporation. NAC's bylaws stipulate that the University will nominate and elect the members of NAC's Board of Trustees and that there shall be no less than three (3) and no more than fifteen (15) trustees. As of June 30, 2020 and 2019, NAC had a gross payable to the University in the amount of \$0 and \$228, respectively.

A Widener University Trustee owns Brian Communications. The University had an advertising contract with Brian Communications and paid them \$0 and \$103 for years ended June 30, 2020 and 2019, respectively.

The University has \$833 and \$597 in gross pledges receivable due from members of the board of trustees as of June 30, 2020 and 2019, respectively.

NOTE 16 LINE OF CREDIT

Effective June 27, 2018, the University signed a line of credit for \$5,000, which is secured by the University's revenues. Draws on the line of credit bear interest at the prime rate. The University was obligated for \$0 at June 30, 2020 and 2019.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 17 FUNCTIONAL EXPENSES

The statements of activities present expenses by functional classification. The table below presents expenses by both their nature and function for the years ended June 30, 2020 and 2019.

2020	Salaries and		Benefits		O&M	Depreciation	Interest	Other	Total
	Wages								
Instructional	\$ 44,094	\$	13,559	\$	4,477	\$ 3,559	\$ 1,074	\$ 3,425	\$ 70,188
Research	243		48		-	-	-	297	588
Public Service	383		117		-	-	-	83	583
Academic Support	4,473		1,525		1,415	1,125	340	4,833	13,711
Student Service	8,492		2,840		2,610	2,074	625	2,812	19,453
Institutional Support	8,357		10,922		745	591	178	3,405	24,198
Auxiliary Enterprises	1,029		312		6,653	5,287	1,596	6,702	21,579
CARES Act Grants To Students	-		-		-	-	-	1,136	1,136
Total	\$ 67,071	\$	29,323	\$	15,900	\$ 12,636	\$ 3,813	\$ 22,693	\$ 151,436

2019	Salaries and		Benefits		O&M	Depreciation	Interest	Other	Total
	Wages								
Instructional	\$ 41,640	\$	13,273	\$	4,394	\$ 3,469	\$ 1,065	\$ 3,405	\$ 67,246
Research	285		55		-	-	-	425	765
Public Service	334		98		-	-	-	84	516
Academic Support	4,418		1,593		1,440	1,137	349	5,076	14,013
Student Service	7,857		2,813		2,654	2,096	643	3,291	19,354
Institutional Support	9,759		8,785		757	598	183	4,877	24,959
Auxiliary Enterprises	1,060		352		6,793	5,364	1,646	7,476	22,691
Total	\$ 65,353	\$	26,969	\$	16,038	\$ 12,664	\$ 3,886	\$ 24,634	\$ 149,544

The financial statements utilize, when possible, a direct allocation method for expenses of a functional category. Other categories of expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. Expenses that are allocated on a square footage basis include depreciation, interest, and operations and maintenance. Benefits and payroll taxes are allocated based on the percentage of salary expense.

NOTE 18 RISKS AND UNCERTAINTIES

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to Widener University, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes Widener University is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Due to COVID-19, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020 which included funding for the Higher Education Emergency Relief Fund (HEERF). These funds were awarded to institutions of higher education in two equal allotments; institutional aid to provide support for pivoting instruction to online delivery or reimbursement of refunds, and a student portion to provide emergency financial aid grants to students.

WIDENER UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 18 RISKS AND UNCERTAINTIES (CONTINUED)

The University received an allocation of \$1,397 in student portion and \$1,397 in institutional portion. As of June 30, 2020, the University had expended \$1,397 related to room and board refunds that is netted with Auxiliary Enterprise revenue on the Statement of Activities, as well as, the University had expended \$1,136 related to emergency student grants that is included in CARES Act Grants to Students expense on the Statement of Activities. \$1,397 was drawn down and received by June 30, 2020. Remaining \$1,397 remains in accounts receivable as of June 30, 2020.

NOTE 19 SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the University has evaluated events and transactions for potential recognition or disclosure through October 6, 2020, the date the financial statements were issued.

Subsequent to the end of the fiscal year, the University experienced certain organizational changes including voluntary retirement of staff and faculty, continuous furloughs of certain departments' employees, reduction in compensation and benefits for certain university positions. In addition, more cost reducing initiatives were introduced to decrease general expenses of the University. The full impact of these measures is unknown and cannot be reasonably estimated as these initiatives are still developing.

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APPENDIX C

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

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

DEFINITIONS OF CERTAIN TERMS

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

“Additional Bonds” shall mean any Bonds or series of Bonds, other than the 2013 Bonds, the 2013A Bonds, the 2014 Bonds and the 2021 Bonds, authenticated and delivered under the Indenture.

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

“Annual Administrative Fee” shall mean the annual fee of the Authority.

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

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

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

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

“Bonds” shall mean the 2013 Bonds, the 2013A Bonds, the 2014 Bonds, the 2021 Bonds and any additional series of bonds authenticated and delivered pursuant to the Indenture.

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

“Certificate” shall mean a certificate or report, in form and substance satisfactory to the Authority and the Trustee, executed: (a) in the case of an Authority Certificate, by an Authority Representative; (b) in the case of a

University Certificate, by a University Representative; and (c) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer, partner or other authorized representative of such Person.

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

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

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

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

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

- (a) the amounts deemed payable in respect of interest shall not include interest on any Long Term Indebtedness which is funded from the proceeds thereof;
- (b) the Debt Service Requirements on any capitalized leases shall be equal to the lease rentals due and payable in accordance with the terms thereof; and
- (c) the foregoing shall be subject to adjustment and recalculation as and to the extent permitted or required by the Loan Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Pledged Revenues” shall mean the loan payments received or receivable by the Authority from the University under the Loan Agreement, any and all other amounts payable to the Trustee as specified in the Indenture, and all income and receipts on the funds (other than the Rebate Fund) held by the Trustee under the Indenture.

“Project” shall mean and include the 2013 Project, the 2013A Project, the 2014 Project, the 2021 Project and any Capital Addition, all or any portion of the Costs (including Costs of completion) of which are paid or payable from the proceeds of any series of Bonds or from other moneys deposited into the Project Fund.

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

(i) Government Obligations.

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

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

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

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

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

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

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

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

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

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

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

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

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

"Supplemental Loan Agreement" or "loan agreement supplemental thereto" shall mean any loan agreement amending or supplementing the Loan Agreement which may be entered into in accordance with the provisions of the Loan Agreement.

"2021 Project Facilities" means the various capital facilities of the University financed or refinanced with proceeds of the 2021 Bonds.

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

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

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

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE

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

THE LOAN AGREEMENT

The 2021 Project; Other Projects and Capital Additions

Loan of 2021 Bond Proceeds. Upon the issuance of the 2021 Bonds, the Authority shall lend the proceeds thereof to the University for the purpose of financing the 2021 Project.

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

The 2021 Project Facilities; Construction of Future Projects and Capital Additions.

(a) The University shall cause the 2021 Project Facilities to be maintained and operated in compliance with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable thereto. The University shall cause any future Projects and Capital Additions to be undertaken and completed in compliance with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable thereto. In connection therewith, the University further agrees that: (i) it shall enter into such construction contracts and other agreements with third parties (the "Construction Contracts") as it deems necessary or advisable for any acquisition, installation, equipping, constructing, renovations and conversions relating thereto; (ii) it shall cause any future Projects and all Capital Additions to be completed in accordance with the Construction Contracts, if any, therefore and shall enforce all such Construction Contracts; and (iii) if the Capital Addition involves construction, it shall obtain or cause its general contractor, if any, to obtain such surety bonds and insurance policies as the University deems necessary or appropriate to cover the performance of contracts (including correction of defects), payment for labor and materials, builders' risk coverage, workers' compensation and employers' liability coverage and public liability and property damage coverage.

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

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

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

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

Payments

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

It is the intention of the Authority and the University that, notwithstanding any other provision of the Loan Agreement, the Trustee, as assignee of the Authority, shall receive funds from or on behalf of the University in such amounts and at such times as will enable the Authority to pay when due all of the principal or redemption price of and interest on the 2021 Bonds and any such obligations surviving the payment of the 2021 Bonds.

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

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

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

Prepayments. The University shall be permitted, at any time and from time to time, to prepay all or any part of the amounts payable under "THE LOAN AGREEMENT – Payments" together with such other amounts as shall be sufficient to redeem all or a portion of the 2021 Bonds in accordance with the provisions of the Indenture.

Authority's Fees. (i) Contemporaneously with the execution and delivery of the Loan Agreement, the University shall pay an initial Authority fee with respect to the 2021 Bonds and (ii) annually thereafter shall pay, directly to the Authority the Annual Administrative Fee. In addition, the University shall pay directly to the Trustee, on behalf of the Authority, when due, the Trustee fees as provided in the Indenture.

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

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

Additional Indebtedness and Security Therefor

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

(a) A University Certificate (i) setting forth in reasonable detail the estimated uses of the proceeds of the Long Term Indebtedness, and certifying the adequacy of such proceeds and any other available moneys for such uses, (ii) stating that no Event of Default has occurred and is continuing, and (iii) if any Capital Addition is to be financed, stating that all applicable requirements described under “THE LOAN AGREEMENT – The 2021 Project; Other Projects and Capital Additions” have been satisfied;

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

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

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

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

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

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

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

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

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

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

Non Recourse Indebtedness. The University shall be permitted to incur Non Recourse Indebtedness without limitation.

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

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

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

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

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

Further Agreements

Nature of Obligations; Security Therefor.

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

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

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

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

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

Consolidation, Merger, Sale or Conveyance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) liens arising by reason of good faith deposits with the University in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the University to secure public or statutory obligations, or to secure or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;
- (ii) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the University to maintain self insurance or to participate in any funds established to cover any insurance risks or in

connection with worker's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for institutions participating in such arrangements;

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

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

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

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

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

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

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

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

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

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

Insurance Requirements.

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

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

University to Perform Certain Covenants Under Indenture. The University acknowledges that it has received an executed copy of the Indenture, and that it is familiar with its provisions, and agrees to be bound to the fullest extent permitted by law to all provisions thereof directly or indirectly relating to it, and that, in consideration of the loan made under the Loan Agreement, it will take all such actions as are required or contemplated of it under the Indenture to preserve and protect the rights of the Trustee and of the Bondholders thereunder and that it will not take or effect any action which would cause a default thereunder or jeopardize such rights. The University assumes and agrees to perform all of the covenants and other obligations of the Authority under the Indenture, excepting only any approval

or consents permitted or required to be given by the Authority thereunder, and certain covenants contained in the Indenture which are not within the control of the University. However, nothing contained in the Loan Agreement shall prevent the Authority from choosing from time to time, in its discretion, to perform any of the covenants or other obligations assumed by the University.

No Personal Recourse Against Authority; Indemnification.

(a) In the exercise of the power of the Authority and its members, officers, employees and agents (an "Authority Representative") under the Loan Agreement including (without limiting the foregoing) the application of moneys and the investment of funds, neither the Authority nor any Authority Representative shall be accountable to the University for any action taken or omitted by it or them in good faith and reasonably believed by it or them to be authorized within the direction or rights or powers conferred upon it or them under the Loan Agreement or under the Indenture. The Authority and Authority Representatives shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the University for any claims based on the Loan Agreement or on the Indenture against any Authority Representative alleging personal liability on the part of such person.

(b) The University will indemnify and hold harmless the Authority and Authority Representatives against any and all claims, losses, damages or liabilities, joint and several, and costs and expenses (including, without limitation, reasonable attorney's fees and expenses) to which the Authority or Authority Representatives may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise or are asserted to arise out of (i) any untrue statement of a material fact contained in any preliminary or final Official Statement (or amendments or supplements thereto) relating to the Bonds, (ii) the omission to state a material fact necessary to be stated in any preliminary or final Official Statement in order to make the statements therein not misleading, (iii) the 2021 Project, (iv) the University Facilities, or (iv) a breach by the University of, or its failure to perform, any of its representations, warranties, covenants, or undertakings under the Loan Agreement unless the losses, damages or liabilities arise from the bad faith, willful misconduct, fraud or deceit of the Authority Representative. In the event any such claim is made or action brought against the Authority, or any Authority Representative, the Authority may direct the University to assume the defense of the claim and any action brought thereon and pay all reasonable expenses incurred therein; or the Authority may assume the defense of any such claim or action, the reasonable costs of which shall be paid by the University; provided, however, that Counsel selected by the Authority to conduct such defense shall be approved by the University, which approval shall not be unreasonably withheld, and further provided that the University may engage its own Counsel to participate in the defense of any such action. The defense of any such claim shall include the taking of all actions necessary or appropriate thereto.

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

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

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

Bonds Not to Become Arbitrage Bonds.

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

(b) Not later than 45 days after each "computation date" (hereinafter defined) for each series of Bonds, the University shall provide to the Trustee a written statement, with appropriate supporting schedules, of the amount, if any, determined as of such computation date to be payable to the United States government with respect to each such series of Bonds pursuant to Section 148(f) of the Code, which written statement and supporting schedules may be prepared by the University or by an accounting, consulting or financial advisory firm retained by it for such purpose. If any such statement indicates that a payment is required to be made under Section 148(f) of the Code, it shall be accompanied by sufficient funds (for deposit in the Rebate Fund) to make such payment and such related documentation as may be required to be filed with such payment. The University shall retain records of all determinations made pursuant to the foregoing with regard to each series of Bonds until six years after the retirement of the last Bond of such series. For the purposes of the foregoing, the "computation dates" for each series of Bonds shall be: (i) in the case of the 2021 Bonds, June 30, 2022, and June 30 of each fifth year thereafter until all 2021A Bonds are retired and the date on which the last 2021A Bond is retired; and (ii) in the case of each series of Additional Bonds hereafter issued, such dates as are specified in the applicable Supplemental Indenture in accordance with Section 148(f) of the Code.

Events of Default and Remedies

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

- (a) if the University fails to make any payment required by the Loan Agreement described under "THE LOAN AGREEMENT – Payments – Payments Under Loan Agreement" within five (5) days after the same shall become due and payable; or
- (b) if the University fails to make any other payment or deposit required under the Loan Agreement within sixty (60) days of the due date thereof; or
- (c) if the University fails to perform any of its other covenants, conditions or provisions under the Loan Agreement; or

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

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

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

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

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

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

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

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

Amendments

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

THE INDENTURE

Pledge and Assignment

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

Additional Bonds

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

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

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

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

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

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

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

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

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

Project Fund

The Trustee shall establish a Project Fund for the payment of Costs of Projects. The Project Fund shall consist of the amounts required or permitted to be deposited therein pursuant to any provision of the Indenture or of the Loan Agreement, which amounts shall be held for the security of all Outstanding Bonds. Separate Project Funds

or accounts within a given Project Fund shall be maintained by the Trustee if the Authority or the University determines that separate Project Funds or accounts are desirable with respect to particular Projects or designated portions of Projects.

Revenue Fund

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

Bond Fund

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

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

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

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

Debt Service Reserve Fund

(a) The Indenture provides for the establishment of a Debt Service Reserve Fund and provides that Bonds of a series may be secured by the Debt Service Reserve Fund if so specified in the applicable Supplemental Indenture. The 2013 Bonds, the 2013A Bonds, the 2014 Bonds and the 2021 Bonds are not secured by the Debt Service Reserve Fund, and no moneys will be on deposit in the Debt Service Reserve Fund as of the date of issuance of the 2021 Bonds.

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

(b) The amount of any withdrawal for the purpose of paragraph (b)(i) below shall be restored in no more than twelve (12) substantially equal, consecutive, monthly installments, each payable on the last business day of the month, commencing with the month following the month in which the withdrawal is made; provided that, if any withdrawal is made and if, prior to the restoration of the amount withdrawn, an

additional withdrawal is made, such additional withdrawal shall be restored in substantially equal monthly installments over the remainder of the restoration period for the initial withdrawal. In addition, if the value of the Debt Service Reserve Fund is less than 90% of the Reserve Fund Requirement, the difference between such Reserve Fund Requirement and the value of the Debt Service Reserve Fund shall be restored within 12 months from the date on which the valuation revealing the deficiency is made.

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

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

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

(iii) In addition to the foregoing in each month during the twelve months preceding the final maturity date of any series of Bonds secured by the Debt Service Reserve Fund (which does not include the 2021 Bonds), moneys held in the Debt Service Reserve Fund shall be credited against the payment of principal of and interest on such series of Bonds and the amounts so credited shall be transferred to the Bond Fund as needed for the payment of such principal and interest; provided, however, that no such credit shall be given and no such transfer shall be made if and to the extent that, immediately prior to such crediting and transfer, the amount on deposit in the Debt Service Reserve Fund is not at least equal to the Reserve Fund Requirement, less the amounts previously transferred to the Bond Fund during such twelve month period pursuant to this subparagraph (iii).

(d) In connection with the issuance of Additional Bonds under the Indenture, the Trustee may establish such debt service reserve funds or other reserve funds as may be provided in, and under such conditions as may be set forth in, any Supplemental Indenture relating to such Additional Bonds. No such debt service reserve fund or other reserve fund has been established under the Indenture for the 2013 Bonds, the 2013A Bonds, the 2014 Bonds or the 2021 Bonds

Redemption Fund

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

Rebate Fund

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

Payments, etc., to be Sufficient

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

Pledged Revenues to be Paid Over to Trustee

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

Procedure when Funds are Sufficient to Pay all Bonds

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

Moneys to be Held for All Bondholders, with Certain Exceptions

Until applied as provided in the Indenture, moneys and investments held in all Funds and Accounts (other than the Rebate Fund) established under the Indenture shall be held in trust for the benefit of the holders of all Outstanding Bonds, except that: (a) on and after the date on which the interest on or principal or redemption price of any particular Bond or Bonds is due and payable from the Bond Fund or Redemption Fund, the unexpended balance of the amount deposited or reserved in either or both of such Funds for the making of such payments shall, to the extent necessary therefor, be held for the benefit of the Bondholder or Bondholders entitled thereto; (b) any special redemption fund established in connection with the issuance of any Additional Bonds for a refunding shall be held for the benefit of the holders of Bonds being refunded; (c) the rights of any Bondholders with respect to principal or interest payments extended beyond their due dates pursuant to the Indenture hereof shall be subordinate to the rights of Bondholders with respect to payments not so extended; and (d) the moneys on deposit in the Debt Service Reserve Fund shall not be available to pay any portion of the principal or redemption price of or the interest on any Bonds other than Bonds secured by the Debt Service Reserve Fund (which does not include the 2021 Bonds).

Investments

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

- (a) Moneys on deposit in the Funds established pursuant to the Indenture shall be invested and reinvested by the Trustee as follows: All investments shall constitute Qualified Investments and shall mature, or be subject to repurchase, withdrawal without penalty or redemption at the option of the holder on or before

the dates on which the amounts invested are reasonably expected to be needed for the purposes of the Indenture.

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

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

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

Covenants of Authority

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

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

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

Financing Statements and Other Action to Protect Security Interests. The Indenture shall constitute a security agreement within the meaning of the Pennsylvania Uniform Commercial Code and the Authority's obligations under the Indenture shall be secured pursuant to such Code by the security interests therein granted with respect to the Authority's right, title and interest in and to the Loan Agreement, all funds and accounts established thereunder and in all Pledged Revenues. The Authority shall cause the Indenture or an appropriate financing statement or memorandum to be filed, registered and recorded in such manner and at such places as may be required by law fully

to protect the security of the holders of the Bonds and the right, title and interest of the Trustee in and to the trust estate or any part thereof. Concurrently with the execution and delivery thereof and thereafter from time to time, as reasonably requested by the Trustee, the Authority shall obtain or cause to be obtained an opinion of Counsel and furnish a signed copy thereof to the Trustee, setting forth what actions, if any, by the Authority or Trustee should be taken to preserve such security. The Authority shall perform or shall cause to be performed any such acts, and execute and cause to be executed any and all further instruments as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the Trustee and the Bondholders, and shall furnish satisfactory evidence to the Trustee for such protection of the interests of the Trustee and the Bondholders, and shall furnish satisfactory evidence to the Trustee of recording, registering, filing and refiling of such instrument and of every additional instrument which shall be necessary to preserve the lien of the Indenture upon the trust estate or any part thereof until the principal of and interest on the Bonds secured under the Indenture shall have been paid. The Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as it may be advised by an opinion of Counsel will preserve the lien of the Indenture upon the trust estate or any part thereof until the aforesaid principal shall have been paid.

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

Compliance with Internal Revenue Code.

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

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

Events of Default and Remedies

Events of Default.

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

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

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

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

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

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

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

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

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

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

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

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

Powers of Trustee.

(a) Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and upon the written request of the holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding under the Indenture, shall, proceed to protect and enforce its rights and the rights of the Bondholders under the laws of the Commonwealth of Pennsylvania and under the Loan

Agreement and the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant, condition or agreement contained therein or in aid of execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

(b) Upon the occurrence and continuance of an Event of Default and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the 2021 Project Facilities and of the rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

University’s Right of Possession and Use of 2021 Project Facilities. So long as the University is in full compliance with the terms and provisions of the Loan Agreement, the University shall be entitled to possess, use, operate and enjoy the properties and appurtenances constituting the 2021 Project Facilities without interference from, or entry on the 2021 Project Facilities by, and free from claims of, the Authority and the Trustee or persons claiming by, through or under them.

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

Amendments and Supplements

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

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

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

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

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

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

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

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

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

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

Defeasance

Defeasance. When interest on, and principal or Redemption Price (as the case may be) of, all Bonds issued under the Indenture have been paid, or there shall have been deposited with the Trustee an amount, evidenced by moneys or non-callable Government Obligations, the principal of and interest on which, when due, will provide sufficient moneys to fully pay the Bonds at the maturity date or date fixed for redemption thereof, as well as all other sums payable under the Indenture by the Authority, the right, title and interest of the Trustee shall thereupon cease and the Trustee, on demand of the Authority, shall release the Indenture and shall execute such documents to evidence

such release as may be reasonably required by the Authority and shall turn over to the Authority or to such other Person as may be entitled to receive the same all balances remaining in any funds under the Indenture; provided, however, that the Trustee shall take such action only upon receipt of an opinion of nationally recognized bond counsel to the effect that payment of such Bonds has been provided for in the manner set forth in the Indenture and that all obligations of the Authority and the University with respect to such Bonds have been discharged and satisfied.

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

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

Limitations on Recourse

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

APPENDIX D

Proposed Form of Bond Counsel Opinions

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PROPOSED FORM OF CO-BOND COUNSEL OPINION

July 14, 2021

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

TD Bank, National Association, as Trustee
2059 Springdale Road
Cherry Hill, NJ 08003

BofA Securities, Inc., as the Underwriter
4 Penn Center, 1600 JFK Blvd., Suite 1210
Philadelphia, PA 19103

Re: Pennsylvania Higher Educational Facilities Authority
\$26,130,000 Revenue Bonds Series 2021A (Widener University) and
\$55,060,000 Revenue Bonds Series 2021B (Federally Taxable) (Widener University)

Ladies and Gentlemen:

We have acted as co-bond counsel to the Pennsylvania Higher Educational Facilities Authority (the "Authority") in connection with the issuance of \$26,130,000 aggregate principal amount of its Revenue Bonds Series 2021A (Widener University) (the "2021A Bonds") and of \$55,060,000 aggregate principal amount of its Revenue Bonds Series 2021B (Federally Taxable) (Widener University) (the "2021B Bonds" and together with the 2021A Bonds, the "Bonds"). The Bonds are issued under and pursuant to the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), including the Pennsylvania Higher Educational Facilities Authority Act of 1967, the Act of December 6, 1967, P.L. 678, as amended and supplemented (the "Act"), and a Trust Indenture dated as of September 1, 2003, as supplemented by a First Supplemental Trust Indenture dated as of February 1, 2005, as supplemented and amended by a Second Supplemental Trust Indenture dated as of August 1, 2013, as supplemented and amended by a Third Supplemental Trust Indenture dated as of November 1, 2013, as supplemented by a Fourth Supplemental Trust Indenture dated as of September 1, 2014 and as further supplemented by a Fifth Supplemental Trust Indenture dated as of July 1, 2021 (collectively, the "Indenture"), between the Authority and TD Bank, National Association, as successor trustee (the "Trustee"). The Bonds are being issued as "Additional Bonds" under the Indenture.

The Bonds are being issued at the request of Widener University, Inc. (the "University") to provide funds which will be used to finance the costs of a project (the "Project"), consisting of: (i) the renovation of the Academic Center North building that will house the physical therapy, occupational therapy, speech-language pathology and physician's assistant programs; (ii) renovations of other campus locations for departments displaced or otherwise impacted by the Academic Center North renovation; (iii) the construction, re-construction, renovation and/or equipping of additional facilities for University purposes at the University's campuses in Chester and Harrisburg, Pennsylvania; (iv) the advance refunding of all or a portion of the Authority's Revenue Bonds, Series 2013 (Widener University) (the "2013 Bonds"); (v) the advance refunding of all or a portion of the Authority's Revenue Bonds, Series 2013A (Widener University) (the "2013A Bonds") and (vi) the funding of any necessary reserves and the payment of the costs of issuance of the Bonds.

The proceeds of the Bonds are being loaned to the University pursuant to a Loan Agreement dated as of September 1, 2003, as supplemented by a First Supplemental Loan Agreement dated as of February 1, 2005, as supplemented by a Second Supplemental Loan Agreement dated as of August 1, 2013, as supplemented by a Third Supplemental Loan Agreement dated as of November 1, 2013, as supplemented by a Fourth Supplemental Loan Agreement dated as of September 1, 2014 and as further supplemented by a Fifth Supplemental Loan Agreement dated as of July 1, 2021 (collectively, the "Loan Agreement") between the Authority and the University. Under the

Loan Agreement, the University is obligated to make payments in amounts sufficient to pay, among other things, the principal or redemption price of and interest on the Bonds.

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

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

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

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

Based on the foregoing, it is our opinion that:

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

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

3. The issuance and sale of the Bonds have been duly authorized by the Authority and, on the assumption as to execution and authentication stated above, such Bonds have been duly executed and delivered by the Authority and authenticated by the Trustee, and are legal, valid and binding limited obligations of the Authority entitled to the benefit and security of the Indenture, except as the rights created thereunder and enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally.

4. Assuming the accuracy of the certifications of the Authority and the University and their continuing compliance with the requirements of the Code, interest on the 2021A Bonds is excludable from gross income for purposes of federal income taxation under existing laws as enacted and construed on the date hereof. Interest on the 2021A Bonds is not an item of tax preference for purposes of alternative minimum tax imposed on individuals.

5. Interest on the 2021B Bonds is includable in gross income for federal income tax purposes.

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

Except as set forth in paragraphs 4, 5, and 6 above, we express no opinion regarding any tax consequences with respect to the Bonds.

We have not been engaged to express, and do not express, any opinion herein with respect to the adequacy of the security for the Bonds or the sources of payment for the Bonds or with respect to the accuracy or completeness of any offering document or other information pertaining to the offering for sale of the Bonds or as to any other matter not set forth herein.

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

Very truly yours,

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APPENDIX E

Form of Continuing Disclosure Agreement

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) made this 14th day of July, 2021 by and between Widener University, Inc. (the “University”) and TD Bank, National Association, as trustee (the “Trustee”) and dissemination agent (the “Dissemination Agent”).

WITNESSETH:

WHEREAS, pursuant to the Bond Purchase Contract, dated June 23, 2021 among the Pennsylvania Higher Educational Facilities Authority (the “Authority”), the University and BofA Securities, Inc. (the “Underwriter”), the Authority is selling \$81,190,000 in aggregate principal amount of Revenue Bonds, Series 2021 (Widener University), consisting of \$26,130,000 Series 2021A (the “2021A Bonds” or the “Tax-Exempt Bonds”) and \$55,060,000 Series 2021B (Federally Taxable) (the “2021B Bonds” and, together with the 2021A Bonds, the “Bonds”); and

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

WHEREAS, the University is the only Obligated Person with respect to the Bonds for purposes of the Rule; and

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

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

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

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

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

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

“EMMA” means the MSRB’s Electronic Municipal Market Access system, or any successor system.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Obligated Person” shall have the meaning given such term in the Rule.

“Official Statement” shall mean the Official Statement of the Authority dated June 23, 2021, with respect to the Bonds.

2. **Covenants of the University.**

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

a. Each year, commencing for the fiscal year ended June 30, 2021, the University shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the University’s fiscal year, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of Schedule I of this Disclosure Agreement.

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

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

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

b. In a timely manner, not to exceed ten (10) Business Days after occurrence, the University shall provide, or shall cause the Dissemination Agent to provide, to the MSRB, via EMMA, notice of any of the following events (collectively, “Reportable Events”) with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 Tax-Exempt Bonds, or other material events affecting the tax status of the Tax-Exempt Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- (xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms

of a Financial Obligation of the Obligated Person, any of which affect Bondholders, if material; and

(xvi) Default, 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.

For purposes of item (xii) above, the described event shall be deemed to occur when any of the following shall occur: the appointment of a receiver, fiscal agent or similar officer for the Obligated Person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or other governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority have supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

With respect to events (xv) and (xvi) above, “Financial Obligation” means (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B), but shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

In determining the materiality of the Listed Events specified in Section 2(b)(ii), (vii), (viii), (x), (xiii), (xiv) or (xv) above, the University may, but shall not be required to, rely conclusively on an opinion of University counsel.

c. The University agrees to provide information required in subsection a. or b. above for all persons who would be considered Obligated Persons.

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

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

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

a. The Dissemination Agent shall:

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

(ii) if the Dissemination Agent filed the Annual Report pursuant to subsection 2.a. 1 above, file a report with the University and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date on which the filing was made with the MSRB, via EMMA.

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

pursuant to the terms of this Disclosure Agreement. In addition to and not in limitation of the immediately preceding sentence, the University also covenants and agrees to indemnify and hold the Indemnitees and each of them harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against the Indemnitees or any of them in connection with or arising out of the Trustee's or the Dissemination Agent's performance under this Disclosure Agreement, provided the Trustee or the Dissemination Agent has not acted with gross negligence or engaged in willful misconduct. The provisions of this Section 3 shall survive the termination of this Disclosure Agreement and the resignation or removal of the Trustee or the Dissemination Agent for any reason. Anything in this Disclosure Agreement to the contrary notwithstanding, in no event shall the Trustee or the Dissemination Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee or the Dissemination Agent has been advised of such loss or damage and regardless of the form of action.

c. The Dissemination Agent shall be paid compensation by the University for its services provided hereunder in accordance with its schedule of fees to be agreed upon between the Dissemination Agent and the University, as the same may be revised from time to time upon agreement of the University and the Dissemination Agent.

d. The Dissemination Agent shall have no duty or obligation to review or verify any information provided to it by the University hereunder. The University acknowledges that it, and not the Dissemination Agent, is solely responsible for the accuracy, completeness and timeliness of all information and notices provided to the Dissemination Agent or to the MSRB.

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

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

6. **Amendment.**

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

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

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

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

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

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

d. The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

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

8. **Miscellaneous.**

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

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

(i) To the Trustee or Dissemination Agent at:

TD Bank, National Association
2059 Springdale Road
Cherry Hill, NJ 08003
Attention: Mary Dallatore
Fax: (856) 533-7136

(ii) To the University at:

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

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

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

d. *Indemnity of Issuer.* The Authority is not a party and has no responsibility or obligation with respect to this Disclosure Agreement or the obligations or responsibilities of the University under this Disclosure Agreement. The University

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

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

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

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

[Signatures Appear on Next Page]

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

WIDENER UNIVERSITY, INC.

By: _____
Joseph J. Baker
Senior Vice President for Administration
and Finance

TD BANK, NATIONAL ASSOCIATION, as Trustee
and Dissemination Agent

By: _____
Mary Dallatore
Vice President

SCHEDULE I

CONTENTS OF ANNUAL REPORT

The Annual Report shall contain the following:

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

2. to the extent not included in the University's annual financial statements included in the Annual Report pursuant to 1 above, an update of the financial information and operating data set forth in "APPENDIX A - WIDENER UNIVERSITY" to the Official Statement under the following captioned sections:

- a. "Faculty and Employees";
- b. "Student Enrollment";
- c. "Applications, Acceptances and Matriculations";
- d. "Academic Quality";
- e. "Student Fees";
- f. "Student Financial Aid";
- g. "Statements of Financial Position";
- h. "Statements of Activities";
- i. "Historic Operating Results";
- j. "Cash and Investments";
- J. "Pension and Other Post-Employment Benefit Plans"; and
- k. "Fundraising".

Each submittal of the information required under 1 and 2 above by the University shall contain on its cover page in bold face type the following language:

"The information contained herein is being filed by Widener University for the purposes of complying with its responsibilities under the Continuing Disclosure Agreement entered into by the University pursuant to SEC Rule 15c2-12. The information contained herein is as of the date set forth below. Neither TD Bank, National Association, as Trustee and Dissemination Agent, nor the Pennsylvania Higher Educational Facilities Authority has participated in the presentation of this report or examined its contents, and neither makes any representation concerning the accuracy and completeness of the information contained herein."

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Schedule I.

SCHEDULE II

NOTICE TO MSRB, VIA EMMA, OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Pennsylvania Higher Educational Facilities
Authority (the "Authority")

Name of Bond Issue: Pennsylvania Higher Educational Facilities Authority's
Revenue Bonds, Series 2021 (Widener University)

Date of Issue: July 14, 2021

Name of Obligated Person: Widener University, Inc. (the "University")

NOTICE IS HEREBY GIVEN that the University has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated July 14, 2021, by and between the University and TD Bank, National Association. The University anticipates that the Annual Report will be filed by [_____, 20__].

TD BANK, National
Association on behalf of
Widener University, as
Dissemination Agent

By: _____
Authorized Signatory

cc: Widener University



Widener
University

