

Resolutions of The Board of Trustees

Lincoln University, PA

RESOLUTION 446 **June 18, 2013**

REFINANCING OF SERIES 2004A& 2004B BONDS RES446_061813

WHEREAS, Lincoln University – of the Commonwealth System of Higher Education (“University”) is a not-for-profit corporation organized under the Lincoln University-Commonwealth Act, 24 P.S. §2510-4016 (“Act”), of the Commonwealth of Pennsylvania (“Commonwealth”); and

WHEREAS, the University (and its predecessor, the Ashmun Institute) were organized exclusively for certain educational purposes; and

WHEREAS, the Pennsylvania Economic Development Financing Authority previously issued \$30,230,000, original aggregate principal amount, of its Revenue Bonds, Series 2004A (Lincoln University – of the Commonwealth System of Higher Education) (“Series A Bonds”) and \$9,910,000, original aggregate principal amount, of its Federally Taxable Revenue Bonds, Series 2004B (Lincoln University – of the Commonwealth System of Higher Education) (“Series B Bonds” and, together with the Series A Bonds, the “Prior Bonds”) and loaned the proceeds thereof to the University; and

WHEREAS, the Series A Bonds are currently outstanding in the aggregate principal amount of \$27,890,000 (“Outstanding Series A Bonds”) and the Series B Bonds are currently outstanding in the aggregate principal amount of \$6,925,000 (“Outstanding Series B Bonds”); and

WHEREAS, the University has been presented an analysis by Jeffries LLC an investment banking firm (“Financial Advisor”) concluding that, because of the decline in interest rates since the issuance of the Prior Bonds, the University can realize debt service savings by advance refunding all of the Outstanding Series A Bonds and Outstanding Series B Bonds (together, the “Refunded Bonds”); and

WHEREAS, the University has determined to refinance the Outstanding Series A Bonds through a loan from the Rice Capital Access Program, LLC (“RCAP”), as designated bonding authority for a capital funding program (the “Program”) established pursuant to the Higher Education Act of 1965, as amended,

which provides Historically Black Colleges and Universities with access to funds on favorable terms for capital projects; and

WHEREAS, the Board of Trustees of the University (the “Board”), desires to authorize a loan (the “Series A Loan”) under the Program, in an aggregate principal amount not to exceed \$32,500,000 to provide funds to: (a) advance refund the Outstanding Series A Bonds; and (b) pay the costs of issuance of the bonds issued by RCAP under the Program (the “RCAP Bonds”); and

WHEREAS, the University desires to refinance the Outstanding Series B Bonds through a loan (the “Series B Loan” and, together with the Series A Loan, the “Loans”) from a bank to be selected pursuant to a request for proposals issued by or on behalf of the University; and

WHEREAS, the Board desires to authorize the Series B Loan in an aggregate principal amount not to exceed \$8,000,000 to provide funds to: (a) advance refund the Outstanding Series B Bonds; and (b) pay the costs and expenses associated with obtaining the Series B Loan; and

WHEREAS, in connection with the refunding of the Refunded Bonds, the University desires to authorize the engagement, if necessary, of an escrow agent, a verification agent and a bidding agent; and

WHEREAS, the University desires to authorize certain officers or employees of the University to negotiate the terms and provisions of the Loans, including the security therefore, subject to the provisions hereof, and to authorize and approve the undertaking of the Loans, subject to the provisions hereof, and to take certain actions in connection therewith.

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE UNIVERSITY HEREBY RESOLVES AS FOLLOWS:

Section 1. Authorized Officers. For purposes of this Resolution, each of the President of the University and the Vice President of Fiscal Affairs of the University shall constitute an “Authorized Officer”. Unless specifically authorized herein, all authorizations and directions herein to the Authorized Officers shall be joint and several.

Section 2. Purpose of the Loans.

(a) Series A Loan. The University is hereby authorized to enter into the Series A Loan. The Series A Loan shall be obtained for the purposes of providing funds to: (a) advance refund the Outstanding Series A Bonds; and (b) pay the costs of issuance of the RCAP Bonds.

(b) Series B Loan. The University is hereby authorized to enter into the Series B Loan. The Series B Loan shall be obtained for the purposes of providing funds to: (a) advance refund the Outstanding Series B Bonds; and (b) pay the costs and expenses associated with obtaining the Series B Loan.

Section 3. Ratification of Request for Proposals from Banks. The Board hereby ratifies and confirms

the issuance of a request for proposals from banks to provide the Series B Loan for the purposes set forth in Section 2(b) hereof.

Section 4. Refunded Bonds and Redemption Thereof. In connection with the refunding of the Refunded Bonds, the Authorized Officers are hereby authorized and directed to take all such actions including, without limitation, executing all agreements, documents, instruments, directions and certificates necessary or appropriate to effect the redemption of the Refunded Bonds, arranging for the purchase of Federal Securities on the open market and, in connection therewith, engaging the services of a bidding agent, and/or subscribing for United States Treasury Obligations – State and Local Government Series, and engaging the services of an escrow agent and a verification agent.

Section 5. Terms of the Loans.

(a) Interest Rate. Each of the Loans shall bear interest at a fixed rate as determined by the Authorized Officers.

(b) Final Maturity Date. The final maturity of each of the Loans shall not exceed 33 years.

(c) Maximum Principal Amount. The maximum principal amount of the Series A Loan shall not exceed \$32,500,000. The maximum principal amount of the Series B Loan shall not exceed \$8,000,000.

Section 6. Financing Structure. The details of the structure of the financing of the Loans shall be negotiated and finalized by the Authorized Officers, in consultation with the Financial Advisor and counsel for the University. The Loans shall be structured to provide the most economical means of refinancing the Refunded Bonds, as determined by the Authorized Officers upon the recommendation of the Financial Advisor.

Section 7. Financing Documentation. The Authorized Officers are hereby authorized to execute and deliver any and all agreements, documents, instruments and certificates and the Secretary, or in his or her absence, the Assistant Secretary, of the Board is hereby authorized to attest the same and to affix the seal of the University thereto, all as deemed necessary or desirable by the Authorized Officers or the Secretary or Assistant Secretary of the Authority, as applicable, in their respective sole discretion, after consultation with counsel to the University and such agreements, documents, instruments and certificates shall be in the form approved by the Authorized Officers, upon consultation with counsel for the University, which determination shall be conclusively evidenced by the execution of each such agreement, document, instrument or certificate by the party authorized hereunder to execute such agreement, document, instrument or certificate.

Section 8. Further Action. The Authorized Officers are hereby authorized to take or cause to be taken such further action and to prepare, execute and file such agreements, documents, instruments and certificates as he or she shall deem necessary or desirable to implement the purposes of this Resolution, including obtaining expert advice and counsel as may be necessary in connection with negotiating and finalizing the structure of the Loans.

Section 9. Ratification of Prior Action. All actions taken and agreements, documents, instruments and certificates delivered and executed by officers of the University, and by the University's professional advisors including, without limitation, the Financial Advisor and Blank Rome LLP, as special counsel to the University, in connection with the Loans and the redemption and defeasance of the Refunded Bonds are hereby ratified, confirmed, approved and adopted.

Section 10. Inconsistent Resolutions Rescinded. All prior resolutions and parts thereof, to the extent inconsistent herewith, are hereby rescinded and repealed.