

NEW ISSUE – BOOK-ENTRY ONLY

Rating: S&P: BBB-
(See “RATING” herein)

In the opinion of Co-Bond Counsel, assuming continuing compliance by the Authority and the University with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and all regulations applicable thereunder, and subject to the conditions described in “TAX MATTERS” herein, interest on the 2025A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Other provisions of the Code may affect the purchasers of the 2025A Bonds. See “TAX MATTERS” herein. Co-Bond Counsel are also of the opinion that under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the interest on the 2025A Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See “TAX MATTERS” herein.



\$22,250,000*
PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY
University Revenue Bonds (Eastern University Project),
Series A of 2025

Dated: Date of Delivery

Due: October 1, as shown on the inside front cover

The revenue bonds of the Pennsylvania Economic Development Financing Authority (the “Authority”) captioned above (the “2025A Bonds”) will be issued by the Authority under a Trust Indenture dated as of May 1, 2025 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as trustee, paying agent and bond registrar (in such capacities, the “Trustee”). The 2025A Bonds will be payable from and secured by certain funds held by the Trustee under the Indenture and payments to the Trustee, as assignee of the Authority, under a Loan Agreement dated as of May 1, 2025 (the “Loan Agreement”), by and between the Authority and Eastern University (the “University”).

The 2025A Bonds are payable solely from the funds held under the Indenture and from payments to be received by the Authority pursuant to the Loan Agreement. The University’s obligation under the Loan Agreement to make loan payments is set forth in the Loan Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025A BONDS” herein.

The 2025A Bonds are subject to redemption prior to maturity, as set forth in this Official Statement. See “THE 2025A BONDS.”

Interest on the 2025A Bonds is payable on April 1 and October 1 each year, commencing on October 1, 2025. The 2025A Bonds will be issued only as fully registered bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as registered Owner and nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the 2025A Bonds. Purchases of beneficial interests in the 2025A Bonds will be made in book-entry form, in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the 2025A Bonds purchased. So long as Cede & Co. is the registered Owner, as nominee of DTC, references herein to the Bondholders, Owners or registered Owners shall mean Cede & Co., as aforesaid and shall not mean the Beneficial Owners of the 2025A Bonds. See “Book-Entry-Only System” herein.

The 2025A Bonds are special limited obligations of the Authority, payable solely from the Trust Estate (as defined in the Indenture). Neither the Commonwealth of Pennsylvania nor any political subdivision thereof is obligated to pay the principal or redemption price of or the interest on the 2025A Bonds, and neither the faith and credit of the Authority or the faith and credit or taxing power of the Commonwealth of Pennsylvania or any political subdivision thereof is pledged to the payment of the principal or redemption price of or interest on the 2025A Bonds. The Authority has no taxing power.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND CUSIPS
(See Inside Front Cover Page)

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

The 2025A Bonds are offered when, as and if issued by the Authority and received by the Underwriter, subject to the approving legal opinions of McNees Wallace & Nurick LLC, Radnor, Pennsylvania, and Law Office of Nathaniel M. Holmes, LLC, Harrisburg, Pennsylvania, as Co-Bond Counsel. Certain legal matters will be passed upon for the Authority by the Office of Chief Counsel, Pennsylvania Department of Community and Economic Development, Harrisburg Pennsylvania; for the University by its counsel, Reed Smith LLP, Philadelphia, Pennsylvania; and for the Underwriter by its counsel, Dilworth Paxson LLP, Philadelphia, Pennsylvania. It is expected that the 2025A Bonds in definitive form will be available for delivery through the facilities of DTC on or about _____, 2025.

RAYMOND JAMES®

Dated: _____, 2025

* Preliminary, subject to change.

\$22,250,000*
Pennsylvania Economic Development Financing Authority
University Revenue Bonds (Eastern University Project),
Series A of 2025

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

<u>Serial Bonds:</u>					
<u>Maturity Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	<u>CUSIP[†]</u>
2025	\$1,015,000				
2026	1,340,000				
2027	1,410,000				
2028	1,485,000				
2029	1,560,000				
2030	1,640,000				
2031	1,210,000				
2032	1,270,000				
2033	1,335,000				
2034	1,405,000				
2035	1,475,000				
2036	1,040,000				
2037	1,095,000				
2038	1,150,000				
2039	1,210,000				
2040	1,270,000				
2041	1,340,000				

Term Bonds:

\$ _____ % Term Bond due October 1, 20__; Price _____; Yield _____%; CUSIP No. _____

* Preliminary, subject to change.

[†] “CUSIP” is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of holders of the 2025A Bonds only at the time of issuance of the 2025A Bonds. None of the Authority, the University or the Underwriter or their respective agents or counsel takes responsibility for the accuracy of such CUSIP numbers at the time of issuance of the 2025A Bonds or at any time in the future.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2025A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY, OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE 2025A BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The information set forth herein has been obtained from the Pennsylvania Economic Development Financing Authority (the “Authority”) and Eastern University (the “University”) and other sources which are believed to be reliable, but the information provided by sources other than the Authority is not guaranteed as to accuracy or completeness by the Authority. 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 Authority has not prepared or assisted in the preparation of this Official Statement except for the statements under the captions “THE AUTHORITY” and “LITIGATION – The Authority.” The Authority has reviewed only the information contained herein under such captions and approved only 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 2025A 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 2025A Bonds in any jurisdiction in which it is unlawful to make such an offer, solicitation, or sale.

The 2025A Bonds are not, and will not be, registered under the Securities Act of 1933, as amended, or under any state securities laws, and the Indenture has not been and will not be qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom. Neither the Securities and Exchange Commission nor any federal, state, municipal, or other governmental agency will pass upon the accuracy, completeness, or adequacy of the Official Statement.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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, and 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. Such risks and uncertainties which 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. Such forward-looking statements speak only as of the date of this Official Statement. The University disclaims any obligation or undertaking to release publicly any updated 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 such statement is based.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE AUTHORITY	3
THE PROJECT	5
THE 2025A BONDS	6
BOOK ENTRY-ONLY SYSTEM.....	9
SECURITY AND SOURCES OF PAYMENT FOR THE 2025A BONDS	11
DEBT SERVICE REQUIREMENTS OF THE UNIVERSITY	13
BONDHOLDERS' RISKS	14
TAX MATTERS.....	21
LEGAL MATTERS.....	24
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS.....	24
RATING	24
UNDERWRITING	24
LITIGATION.....	25
CONTINUING DISCLOSURE UNDERTAKING	25
MISCELLANEOUS	27
APPENDIX A: Certain Information Concerning Eastern University	A-1
APPENDIX B: Financial Statements of Eastern University for the Fiscal Years Ended June 30, 2024, and June 30, 2023.....	B-1
APPENDIX C: Forms of Trust Indenture, Loan Agreement, Collateral Agency Agreement and Security Agreement.....	C-1
APPENDIX D: Form of Opinions of Co-Bond Counsel.....	D-1
APPENDIX E: Form of Continuing Disclosure Agreement	E-1

OFFICIAL STATEMENT

\$22,250,000*

**Pennsylvania Economic Development Financing Authority
University Revenue Bonds (Eastern University Project),
Series A of 2025**

INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement is to provide certain information in connection with the offering of the Pennsylvania Economic Development Financing Authority University Revenue Bonds (Eastern University Project), Series A of 2025 (the “2025A Bonds”) in the aggregate principal amount of \$22,250,000*. The 2025A Bonds will be issued pursuant to a Trust Indenture dated as of May 1, 2025 (the “Indenture”), by and between the Pennsylvania Economic Development Financing Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee, paying agent and bond registrar (in such capacities, the “Trustee”). The proceeds of the 2025A Bonds, together with other available funds, will be used to pay the costs of the Project described below to be undertaken on behalf of Eastern University (the “University”). See APPENDIX C for the definition of capitalized terms used herein and not otherwise defined.

The Authority

The Authority is a public instrumentality and body corporate and politic of the Commonwealth of Pennsylvania (the “Commonwealth”) created pursuant to the Pennsylvania Economic Development Financing Law (Act of August 23, 1967, P.L. 251), as amended (collectively, the “Act”), to provide financing for qualifying projects (including, without limitation, industrial facilities, commercial facilities, pollution control facilities and public facilities) in the Commonwealth if authorized and approved by local industrial development authorities or local industrial development agencies for financing by the Authority. The Cheltenham Township Industrial Development Authority is authorized by the Act to approve and submit projects to the Authority to promote the public purposes of the Act and has approved the Project for financing as required by the Act and has filed an application for such financing to the Authority. The 2025A Bonds are being issued under the Act pursuant to a resolution of the Authority adopted on March 19, 2025 (the “Resolution”). For additional information concerning the Authority, see “THE AUTHORITY” herein.

The University

Eastern University is a co-educational, comprehensive Christian university of the arts, sciences, and professions which seeks to provide an education rooted in unifying Christian worldview. The University’s main campus is located in St. Davids, Radnor Township, Delaware County, Pennsylvania. The University offers over 130 undergraduate, graduate and seminary programs, both online and on campus, with an enrollment of approximately 8,700 students, of whom approximately 6,000 are graduate students. The University is incorporated under the laws of the Commonwealth as a nonprofit corporation and is an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), as a tax-exempt charitable organization. For further information concerning the University, see APPENDIX A attached hereto. APPENDIX B contains financial statements of the University for its fiscal years ended June 30, 2024, and June 30, 2023.

* Preliminary, subject to change.

The Project

The 2025A Bonds are being issued by the Authority to undertake a project (the "Project") consisting of the: (i) the refunding of all outstanding Delaware County Authority Revenue Bonds (Eastern University) Series of 2012 (the "2012 Bonds") and Delaware County Authority Revenue Bonds (Eastern University) Series of 2022 (the "2022 Bonds", and together with the 2012 Bonds, the "Prior Bonds"), the proceeds of which were used to finance various construction and improvements to the existing campus of the University with an address at 1300 Eagle Road, St. Davids, Pennsylvania, in Radnor Township, Delaware County; (ii) reimbursement of costs incurred in connection with the acquisition of property (land and improvements) situated at 8 Fenimore Lane, Radnor Township, Delaware County, Pennsylvania; (iii) funding of a debt service reserve fund; and (iv) payment of all or a portion of the costs of issuing the 2025A Bonds. For additional information concerning the Project, see "THE PROJECT" herein.

The proceeds of the 2025A Bonds will be loaned to the University for the purposes described above pursuant to a Loan Agreement dated as of May 1, 2025 (the "Loan Agreement"), by and between the Authority and the University. Under the Loan Agreement, the University will be obligated to make loan payments to the Trustee, as assignee of the Authority, in amounts and at times sufficient, among other things, to pay the principal, redemption price of, and interest on, the 2025A Bonds when due.

Security and Sources of Payment for the 2025A Bonds

Under the Loan Agreement, the University is obligated to make payments which are sufficient, in the aggregate, to pay when due the principal or redemption price of, and interest on the 2025A Bonds. The University's obligation under the Loan Agreement to make such loan payments which correspond, as to amounts and due dates, to the Bonds Debt Service to provide funds to pay the Bonds Debt Service as and when due as described and set forth therein. Pursuant to the Indenture, the Authority will assign to the Trustee, for the benefit and security of the Owners of the 2025A Bonds, substantially all of the rights of the Authority in the Loan Agreement (other than the Unassigned Authority's Rights, as defined in the Loan Agreement), including its right to receive loan payments payable by the University under the Loan Agreement.

The 2025A Bonds are limited obligations of the Authority and are payable solely from the payments to be made by the University under the Loan Agreement and certain funds held by the Trustee under the Indenture (and not from any other fund or source of the Authority) which are pledged under the Indenture and the Loan Agreement as described therein. Neither the general credit of the Authority nor the credit or the taxing power of the Commonwealth or of any political subdivision thereof is pledged for the payment of the 2025A Bonds, nor shall the 2025A Bonds be or be deemed a general obligation of the Authority or an obligation of the Commonwealth or of any political subdivision thereof. The Authority has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2025A BONDS" herein.

The Loan Agreement will constitute an "Additional Parity Debt Agreement" pursuant to the Collateral Agency and Intercreditor Agreement dated as of October 1, 2006, originally by and among the University, the Trustee, the Delaware County Authority, The Bank of New York Mellon Trust Company, N.A., as collateral agent (the "Collateral Agent"), and any other holders of Parity Obligations that are or may become parties thereto from time to time in accordance with the terms thereof (the "Collateral Agency Agreement"). See "SECURITY AND SOURCES OF PAYMENT FOR THE 2025A BONDS - Pledge of University Collateral" herein.

The University and the Collateral Agent are parties to a certain Security Agreement dated as of October 1, 2006 (the "Security Agreement"), under which the University grants to the Collateral Agent a lien on certain collateral described in the Security Agreement, including all receipts, revenues, income and other moneys held, received or receivable by or on behalf of the University that are derived or that arise

from tuition and fees charged to students at the University. Such grants of security to the Collateral Agent under the Security Agreement are made for the benefit of the Authority, the Trustee, and other Secured Parties that may from time to time constitute Parity Obligees under the Collateral Agency Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025A BONDS - Pledge of University Collateral” herein.

Outstanding Bonds

Concurrently with the issuance of the 2025A Bonds, all outstanding bonds previously issued by the University will be paid off and no bonds will remain outstanding except for the 2025A Bonds.

Bondholders’ Risks

There are risks involved in the purchase of the 2025A Bonds. See “BONDHOLDERS’ RISKS” herein.

Forms of Documents

Forms of the Indenture, the Loan Agreement, the Collateral Agency Agreement and the Security Agreement are included in APPENDIX C hereto.

THE AUTHORITY

The Authority is a public instrumentality and body corporate and politic of the Commonwealth of Pennsylvania (the “Commonwealth”) created pursuant to the Act, to provide financing for qualifying projects (including, without limitation, industrial facilities, commercial facilities, pollution control facilities and public facilities) in the Commonwealth. The Authority provides such financing by issuing its limited obligation revenue bonds to make loans to finance qualified projects and, if applicable, authorized and approved by local industrial and commercial development authorities, industrial development agencies and certain other governmental entities. The Authority has approved the financing of the Project and authorized the issuance of the 2025A Bonds. The Authority has full power and authority to issue the 2025A Bonds and to perform its obligations under the Indenture and the Loan Agreement. The Act provides that the Commonwealth will not limit or alter the rights vested in the Authority by the Act until the 2025A Bonds, together with the interest thereon, are fully discharged.

The Authority is governed by a Board of Directors composed of the Secretary of Community and Economic Development (who serves as Chairperson), the Secretaries of Labor and Industry, Agriculture and Banking and Securities and eight members appointed by the Governor, subject to the advice and consent of the Senate of the Commonwealth, and four members appointed by the Majority Leader and the Minority Leader of both the Senate and the House of Representatives of the Commonwealth.

The staff of the Authority includes:

Craig Petrasic, Executive Director. Craig Petrasic has been with the Department of Community and Economic Development (DCED) since 1995. He was appointed Executive Director of the Pennsylvania Economic Development Authority (PEDFA) on July 19, 2023. He is also the Director of the Center for Private Financing, in which capacity he is responsible for the day-to-day management, operations and policy analysis and development for PEDFA, the Pennsylvania Community Development Bank, and several other programs. Prior to serving as Executive Director, Mr. Petrasic was the Assistant Director and Program Manager for PEDFA, an Economic Development Analyst with the Pennsylvania Industrial Development Authority (PIDA), and a legal assistant in the Office of Chief Counsel of DCED. Mr. Petrasic

received his Bachelor of Arts degree from Bloomsburg University and his Master of Arts degree in history from Indiana University of Pennsylvania.

Brian Deamer, Assistant Director. Brian Deamer has been with the Department of Community and Economic Development (DCED) since December 1998. He currently serves as Assistant Director for the Center for Private Financing and the Authority, in which capacity he assists with the day-to-day management, operations and policy analysis and development for office programs. He previously served as a Program Analyst in DCED's Small Business Financing Office. Mr. Deamer received his Bachelor's degree from Millersville University.

Gail Flaim, Program Manager. Gail Flaim has been with DCED since 2000. She currently serves as Program Manager for the Center for Private Financing, in which capacity she assists with the day-to-day management, operations, policy analysis and development for the Industrial Development Authority program. Prior to serving as Program Manager, Ms. Flaim was an Economic Development Analyst in the Small Business Financing Office and interned in the Office of International Business Development Office. Ms. Flaim received her Bachelor of Science degree from Lock Haven University.

Zsuzsanna Smith, Economic Development Analyst. Zsuzsanna Smith started with DCED in August 2024 and currently assists with day-to-day operations and policy analysis for the Industrial Development Authority Bond Financing Program, Next Generation Farmer Loan Program, Pennsylvania Capital Access Program, and Tax-Exempt Volume Cap Allocation. She graduated from Slippery Rock University in May 2024 with her Bachelor of Science in Business Administration: Economics and her Bachelor of Fine Arts in Dance Business and Performance/Choreography.

The Authority has previously issued bonds for projects other than the Project and expects to issue additional series of bonds after the issuance of the 2025A Bonds described herein. Such prior bonds are, and such additional bonds if issued, will be, secured under pledges of security separate from and unrelated to the pledges described herein with respect to the 2025A Bonds. The 2025A Bonds are special and limited obligations of the Authority as described herein.

The Authority has not prepared or assisted in the preparation of this Official Statement except for the statements under this section captioned "THE AUTHORITY" and the statements under the section captioned "LITIGATION" solely as it pertains to the Authority and, except as aforesaid, the Authority is not responsible for any statement made herein, and will not participate in or otherwise be responsible for the offer, sale or distribution of the 2025A Bonds. Accordingly, except as aforesaid, the Authority disclaims responsibility for the disclosure set forth herein in connection with the offer, sale and distribution of the 2025A Bonds.

THE 2025A BONDS AND THE ISSUE OF WHICH THEY ARE A PART AND THE PREMIUM, IF ANY, AND INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED PURSUANT TO THE LOAN AGREEMENT, INCLUDING PAYMENTS RECEIVED THEREUNDER OR FROM COLLATERAL PLEDGED THEREFOR, WHICH PAYMENTS, REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO THE TRUSTEE TO SECURE PAYMENT OF THE 2025A BONDS. THE 2025A BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY. NEITHER THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2025A BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND

RECEIPTS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT OF THE AUTHORITY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH OF PENNSYLVANIA, NOR THE TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2025A BONDS OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER.

THE PROJECT

General

The 2025A Bonds are being issued by the Authority to finance the Project, consisting of the (i) refunding of the Prior Bonds; (ii) reimbursement of costs incurred in connection with the acquisition of property (land and improvements) situate at 8 Fenimore Lane, Radnor Township, Delaware County, Pennsylvania; (iii) funding of a debt service reserve fund; and (iv) the payment of all or a portion of the costs of issuing the 2025A Bonds.

On or before the closing on the 2025A Bonds, the University intends to fully repay the Delaware County Authority Revenue Bonds (Eastern University) Series A of 2013 (the “2013A Bonds”) prior to maturity, which have a current outstanding balance of \$360,000 and a scheduled final maturity of October 1, 2025.

Estimated Sources and Uses of Funds

The following sets forth the estimated sources and uses of funds in connection with the financing of the Project:

Sources of Funds:	Total
Principal Amount of the 2025A Bonds	
[Net] Original Issue Premium/(Discount)	
Prior Debt Service Reserve Fund	
University Contribution	
Swap Termination	
Total Sources of Funds	
Uses of Funds:	
Deposit to Project Fund – Reimbursement Proceeds	
Refunding Deposit of Prior Bonds	
Debt Service Reserve Fund	
Costs of Issuance ¹	
Total Uses of Funds	

¹ Includes Underwriter's discount, legal fees, Authority fees, financial advisor fee, rating agency fees, Trustee and paying agent fees, accountant fees, and other miscellaneous expenses related to the issuance of the 2025A Bonds.

THE 2025A BONDS

General

The 2025A Bonds will be dated and will bear interest from the dates and at the rates set forth on the inside cover page hereof payable on April 1 and October 1 (each an "Interest Payment Date") of each year, commencing on October 1, 2025. The 2025A Bonds shall be subject to redemption prior to maturity as stated below. Interest shall be payable on each Interest Payment Date to the registered owner of 2025A Bonds as appears on the registration maintained by the Trustee on each Regular Record Date, which is the close of business on the 15th day of the calendar month, whether or not a Business Day, immediately preceding each Interest Payment Date (*i.e.*, each March 15 and September 15). Interest accruing on the 2025A Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months.

The 2025A Bonds are issuable only as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. The Authority has established a book-entry-only system of registration for the 2025A Bonds (the "Book Entry System"). Except as otherwise provided in the Indenture, The Depository Trust Company, New York, New York, or its successor as securities depository (the "Securities Depository" or "DTC") (or its nominee) will be the registered owner of the 2025A Bonds. By acceptance of a confirmation of purchase, delivery or transfer, each Beneficial Owner (defined herein) of an interest in the 2025A Bonds will be deemed to have consented to the Book Entry System. The Securities Depository (or its nominee), as registered owner of the 2025A Bonds, will be the registered owner or holder of the 2025A Bonds for all purposes of the Indenture. See "BOOK-ENTRY-ONLY SYSTEM" below.

So long as the 2025A Bonds are held in the Book Entry System, the principal, premium, if any, and interest on the 2025A Bonds will be paid through the facilities of the Securities Depository. If the Book Entry System is discontinued, interest on the 2025A Bonds will be payable by check mailed to the Owner of record; provided that upon the written request of an Owner of record of at least \$1,000,000 aggregate

principal amount of 2025A Bonds received by the Trustee at least one Business Day prior to the corresponding Regular Record Date, interest payable on such 2025A Bonds will be paid by wire transfer, in immediately available funds, to a bank account within the continental United States or by deposit into a bank account maintained with the Trustee, in either case, to the bank account number of such owner specified and entered by The Bank of New York Mellon Trust Company, N.A., as Bond Registrar (the “Bond Registrar”) on the Bond Register.

Any interest on any 2025A Bond that is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called “Defaulted Interest”) shall forthwith cease to be payable to the owner of such Bond on the relevant Regular Record Date by virtue of having been such owner, and such Defaulted Interest shall be paid to the Person in whose name such 2025A Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be no more than 15 nor fewer than 10 days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to the Bond Registrar and to each Bondholder at his address as it appears in the Bond Register, not fewer than 10 days prior to such Special Record Date.

If the Book Entry System is discontinued and the 2025A Bonds are issued in certificated form, the 2025A Bonds may be transferred or exchanged for an equal total amount of 2025A Bonds of other authorized denominations upon surrender of such 2025A Bonds to the Trustee, in Pittsburgh, Pennsylvania, duly endorsed for transfer or accompanied by an assignment executed by the Owner or the Owner’s duly authorized attorney and with a guaranty of signature satisfactory to the Trustee. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of (i) any 2025A Bond during the period of 15 days immediately preceding the date on which a notice of redemption of 2025A Bonds is mailed; or (ii) any 2025A Bond selected for redemption in whole or in part. Registration of transfers and exchanges shall be made without charge to the Owners, except that the Bond Registrar may require the Owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Optional Redemption

The 2025A Bonds maturing on or after _____, ____, are subject to redemption prior to maturity by the Authority, at the written direction of the University, on or after _____, ____, in whole at any time or in part from time to time in such order of maturity as specified by the Authority at the written direction of the University, and within a maturity by lot, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

The 2025A Bonds maturing on _____, ____, are subject to scheduled mandatory redemption by the Authority on _____ in the years and the amounts set forth at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date of the years and in the amounts set forth below.

2025A Bonds Maturing October 1, 20

<u>Year</u> <u>(October 1)</u>	<u>Amount</u>
-----------------------------------	---------------

* Final maturity date

Notice of Redemption

The notice of the call for redemption of 2025A Bonds shall state the following information: (i) the identification numbers, as established under this Indenture, and the CUSIP numbers, if any, of the 2025A Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such 2025A Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such 2025A Bonds; (ii) any other descriptive information needed to identify accurately the 2025A Bonds being redeemed; (iii) in the case of partial redemption of any 2025A Bonds, the respective principal amounts thereof to be redeemed; (iv) the redemption date; (v) the redemption price; (vi) that on the redemption date the redemption price will become due and payable upon each such 2025A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (vii) the place where such 2025A Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Payment Office of the Trustee. The notice shall be given by the Trustee on behalf of the Authority at the expense of the University by mailing a copy of the redemption notice by first-class mail, postage prepaid, at least 30 days, but no more than 60 days, prior to the date fixed for redemption, to the owner of each 2025A Bond subject to redemption in whole or in part at the owner's address shown on the Bond Register on the Business Day preceding that mailing. Failure to receive notice as provided herein, or any defect in that notice, as to any 2025A Bond shall not affect the validity of the proceedings for the redemption of any other 2025A Bond. Additional notice shall be given to Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") or such other organization at the time approved by the SEC as a Nationally Recognized Municipal Securities Information Repository and to DTC not less than 30 but not more than 60 days prior to the redemption date.

If at the time of mailing of notice of any optional redemption, the Authority shall not have deposited with the Trustee moneys sufficient to redeem all the 2025A Bonds called for redemption, or if the University desires to make the optional redemption of the particular Bonds subject to the satisfaction of any other conditions, such notice may state that it is conditional in that it is subject to the deposit of the sufficient moneys with the Trustee not later than the opening of business on the redemption date, or subject to the satisfaction of certain other stated conditions, in which case such notice shall be of no effect, and the optional redemption shall not be effected, unless moneys are so deposited or such conditions satisfied.

Partial Redemption

If fewer than all of the 2025A Bonds of any maturity are to be redeemed, the selection of 2025A Bonds of such maturity to be redeemed, or portions thereof in amounts of \$5,000 and any integral multiple of \$5,000 in excess thereof, shall be made by lot by the Trustee; provided, however, if DTC or its nominee is the Registered Owner of the 2025A Bonds, such selection shall be made by lot by DTC, the DTC Participants and indirect Participants in such manner as they may determine.

Selection of 2025A Bonds Called for Redemption

If fewer than all of the Bonds of any maturity are to be redeemed, the selection of 2025A Bonds of such maturity to be redeemed shall be made by lot by the Trustee; provided, however, if DTC or its nominee is the Registered Owner of the Bonds, such selection shall be made by lot by DTC, the DTC Participants and indirect Participants in such manner as they may determine. In the event that less than the full principal amount hereof shall have been called for redemption, the registered owner hereof shall surrender such 2025A Bond in exchange for one or more new Bonds in an aggregate principal amount equal to the unredeemed portion of the principal amount hereof.

For a discussion of the operational arrangements of DTC, see “BOOK-ENTRY-ONLY SYSTEM” below.

Purchase in Lieu of Redemption

As set forth in the Indenture, nothing prevents the University from purchasing the 2025A Bonds in lieu of redemption by private, negotiated purchase on the secondary market at prices at or below the redemption price that would be otherwise due and payable on such 2025A Bonds. If the University elects to purchase all or such lesser portion of the 2025A Bonds so called for redemption, it shall deliver written notice to the Trustee of its election to purchase the 2025A Bonds in lieu of redemption at least two Business Days prior to the date fixed for redemption. Such written notice shall identify the 2025A Bonds called for redemption which are being purchased by the University. Any 2025A Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by the Indenture on such redemption date and upon settlement for such purchase, the University will deliver the 2025A Bonds to the Trustee for cancellation on or before the redemption date and the University will be credited for such purchase and delivery as if such 2025A Bonds had been redeemed in accordance thereto.

BOOK ENTRY-ONLY SYSTEM

The 2025A Bonds will be available initially only in book entry form. Purchasers of the 2025A Bonds will not receive certificates representing their interest in the 2025A Bonds.

The following information concerning DTC and DTC’s book-entry-only system herein has been obtained from DTC. The Authority, the Underwriter, the University and the Trustee make no representation as to the accuracy of such information.

DTC will act as securities depository for the 2025A Bonds. The 2025A 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 each maturity of the 2025A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. 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 bond 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 a Standard & Poor’s rating of AA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2025A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025A Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2025A 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 2025A 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 Bonds, except in the event that use of the Book Entry System for the 2025A Bonds is discontinued.

To facilitate subsequent transfers, all 2025A 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 2025A 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 2025A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 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.

Redemption notices shall be sent to DTC. If less than all of the 2025A Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Payments of principal of and interest on the 2025A 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 payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and

customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the 2025A Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority 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 2025A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority or the University 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.

SECURITY AND SOURCES OF PAYMENT FOR THE 2025A BONDS

Limited Obligations

THE 2025A BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE (AS DEFINED IN THE INDENTURE). NEITHER THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF NOR THE INTEREST ON THE 2025A BONDS, AND NEITHER THE FAITH AND CREDIT OF THE AUTHORITY OR THE FAITH AND CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2025A BONDS. THE AUTHORITY HAS NO TAXING POWER.

The Indenture

In order to secure the payment of the principal of and redemption premium, if any, and interest on the 2025A Bonds, the Authority is assigning to the Trustee, under the Indenture, all its right, title and interest in (but not the obligations) of the Authority under and pursuant to the terms of the Loan Agreement, all loan payments and all other payments, revenues and receipts receivable by the Authority under the Loan Agreement (other than the Unassigned Authority’s Rights); and all of the right, title and interest of the Authority in and to all Funds and Accounts established under the Indenture and all moneys and investments now or hereafter held in the Indenture (other than the Rebate Fund) and all present and future Pledged Revenues, the Trust Estate, the proceeds of any Shared Collateral, or other sources of payment provided for and as defined in the Indenture. See APPENDIX C hereto for a form of the Indenture.

The 2025A Bonds will also be secured by a Debt Service Reserve Fund to be established under the Indenture (the “Debt Service Reserve Fund”) which fund will be a common debt service reserve fund securing all 2025A Bonds Outstanding thereunder and other Bonds that are expressly expected to be designated as Bonds to be secured by the Debt Service Reserve Fund. Funds will be deposited in the Debt Service Reserve Fund in a sufficient amount to satisfy the Debt Service Reserve Fund Requirement for the 2025A Bonds. The moneys on deposit in the Debt Service Reserve Fund are pledged and shall be available for the payment of principal and interest, on the 2025A Bonds and any other Bonds issued in the future that are secured by the Debt Service Reserve Fund. If the value of investments held in the Debt Service Reserve Fund calculated pursuant to the Indenture falls below the Debt Service Reserve Fund Requirement on the

Bonds secured by the Debt Service Reserve Fund, the Trustee shall notify the University of such deficiency and the University shall pay such deficiency as additional payments under the Loan Agreement when so requested by the Trustee. See APPENDIX C – “Form of Trust Indenture – Debt Service Reserve Fund.”

The Loan Agreement

Under the Loan Agreement, the University is required to make loan payments to the Trustee in amounts sufficient to pay when due the principal or redemption price of, and interest on the 2025A Bonds and to redeem Bonds then outstanding if the University exercises its right to redeem Bonds under any provision of the Indenture or if any 2025A Bonds are required to be redeemed under any provision of the Indenture, and to make certain other payments. The Loan Agreement provides that the University shall pay without abatement, diminution or deduction (whether for taxes, loss of use, in whole or in part, of the Project 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. The University’s obligation under the Loan Agreement to make loan payments is a general obligation of the University for which the full faith and credit of the University and pledged. See APPENDIX C hereto for a description of the Loan Agreement.

Pledge of University Collateral

The Loan Agreement will constitute an “Additional Parity Debt Agreement” pursuant to the Collateral Agency and Intercreditor Agreement dated as of October 1, 2006, originally by and among the University, the Trustee, the Delaware County Authority, The Bank of New York Mellon Trust Company, N.A., as collateral agent (the “Collateral Agent”), and any other holders of Parity Obligations that are or may become parties thereto from time to time in accordance with the terms thereof (the “Collateral Agency Agreement”), and accordingly (a) all obligations of the University under the Loan Agreement will constitute “Additional Parity Debt” and part of the “Parity Obligations” within the meaning of the Collateral Agency Agreement; and (b) the Trustee shall be an “Additional Parity Obligor” and one of the “Secured Parties” within the meaning of the Collateral Agency Agreement with respect to the Loan Agreement and the 2025A Bonds. The Trustee shall execute an appropriate joinder supplement to the Collateral Agency Agreement substantially in the form of the joinder supplement attached to the Collateral Agency Agreement, in order to establish it as an Additional Parity Obligor under the Collateral Agency Agreement with respect to the Loan Agreement and the 2025A Bonds.

The University and the Collateral Agent are parties to a certain Security Agreement dated as of October 1, 2006 (the “Security Agreement”), under which the University grants to the Collateral Agent a lien on certain collateral described in the Security Agreement, including all receipts, revenues, income and other moneys held, received or receivable by or on behalf of the University that are derived or that arise from tuition and fees charged to students at the University. Such grants of security to the Collateral Agent under the Security Agreement are made for the benefit of the Authority, the Trustee, and other Secured Parties that may from time to time constitute Parity Obligor under the Collateral Agency Agreement. The Security Agreement is a “Shared Security Document” for purposes of the Collateral Agency Agreement.

The Collateral Agency Agreement, supplemented as described above, provides that amounts received by the Collateral Agent pursuant to the Security Agreement will be distributed to the Trustee, the Authority and any other holder of Parity Obligations in accordance with the procedures described in the Collateral Agency Agreement. See “Forms of Collateral Agency Agreement and Security Agreement” in APPENDIX C hereto. For a discussion of certain risks relating to this collateral, see “BONDHOLDERS’ RISKS – Risks Relating to Security for the 2025A Bonds” herein.

Additional Bonds and Other Indebtedness

Under the Indenture, Additional Bonds may be issued by the Authority for the benefit of the University. Any such Additional Bonds may be secured on a parity with the 2025A Bonds, except with respect to amounts in any sinking fund account for the 2025A Bonds. See "Form of Trust Indenture - Issuance of Additional Bonds" in APPENDIX C hereto.

Under the Loan Agreement, the University may incur, guaranty or assume additional indebtedness upon compliance with specified requirements and limitations. Such indebtedness may be secured, inter alia, by revenues derived from the operation or sale of financed facilities and/or a mortgage lien on or security interest in the financed facilities. See "Form of Loan Agreement – Security for Permitted Indebtedness" in APPENDIX C hereto for a discussion of the requirements and limitations relating to the incurrence of and security for additional indebtedness which may be incurred by the University. Under the Collateral Agency Agreement, the holder of any additional indebtedness may have parity rights in the collateral held by the Collateral Agent thereunder. See "Form of Collateral Agency Agreement" in APPENDIX C hereto.

No Recourse Against Members of the Authority

No recourse shall be had for any claim based on the Indenture or the 2025A Bonds, including but not limited to the payment of the principal or redemption price of, or interest on, the 2025A Bonds, against any member, officer, agent 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 by any legal or equitable proceeding or otherwise. The obligations and liabilities of the Authority arising under the Indenture shall be payable solely from the Pledged Revenues.

DEBT SERVICE REQUIREMENTS OF THE UNIVERSITY

The following table sets forth, for each future fiscal year of the University ending June 30, the amounts required to be made available in such year by the University for the payment of the principal of and interest on the 2025A Bonds.

Fiscal Year Ended (June 30)	2025A Bonds		
	Principal*	Interest*	Total*
2026	\$1,015,000	\$ 829,436	\$1,844,436
2027	1,340,000	1,034,775	2,374,775
2028	1,410,000	966,025	2,376,025
2029	1,485,000	893,650	2,378,650
2030	1,560,000	817,525	2,377,525
2031	1,640,000	737,525	2,377,525
2032	1,210,000	666,275	1,876,275
2033	1,270,000	604,275	1,874,275
2034	1,335,000	539,150	1,874,150
2035	1,405,000	470,650	1,875,650
2036	1,475,000	398,650	1,873,650
2037	1,040,000	335,775	1,375,775
2038	1,095,000	282,400	1,377,400
2039	1,150,000	226,275	1,376,275
2040	1,210,000	167,275	1,377,275
2041	1,270,000	103,688	1,373,688
2042	1,340,000	35,175	1,375,175
Total	\$22,250,000	\$9,108,523	\$31,358,523

*Preliminary, subject to change. Debt service based upon estimated rate of 5.25%

Note: The table above does not reflect financing or operating leases.

BONDHOLDERS' RISKS

General

There are risks in purchasing the 2025A Bonds, only some of which are outlined in this section of the Official Statement. The 2025A Bonds are special, limited obligations of the Authority and are payable solely from payments made pursuant to the Loan Agreement. In addition, the 2025A Bonds are payable from certain funds held by the Trustee pursuant to the Indenture. The ability of the Authority to make timely payments of principal and interest on the 2025A Bonds depends on the ability of the University to make timely loan payments pursuant to the Loan Agreement. The University expects that revenues derived from its ongoing operations, when taken together with other funds available to the University for such purposes, will at all times be sufficient to pay the debt service on the 2025A Bonds when due.

Various factors could adversely affect the University's ability to pay the obligations under the Loan Agreement. The future financial condition of the University could be adversely affected by, among other things, economic conditions in the areas from which the University traditionally draws students, legislation, regulatory actions, increased competition from other educational institutions, changes in the demand for private higher educational services, demographic changes and litigation. Some of such risk factors are described below.

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

NO REPRESENTATION OR ASSURANCE CAN BE GIVEN THAT THE UNIVERSITY WILL GENERATE SUFFICIENT REVENUES TO MEET THE UNIVERSITY'S PAYMENT OBLIGATIONS UNDER THE LOAN AGREEMENT.

The paragraphs below discuss certain risks but are not intended to be a complete enumeration of all of the risks associated with the 2025A Bonds and the University. The order in which such risks are presented does not necessarily reflect the relative importance of such risks or the likelihood that any of the events or circumstances described below will occur or exist. In order to identify risk factors and make informed investment decisions, potential investors should be thoroughly familiar with the entire Official Statement (including each Appendix hereto) in order to make a judgment as to whether the 2025A Bonds are an appropriate investment.

Uncertainty of Revenues and Expenses

Future revenues and expenses of the University are subject to change, and no representation or assurance can be given to the effect that the University will be able to generate sufficient revenues to meet its obligations, including its obligations to make payments under the Loan Agreement. There are a number of factors affecting private colleges and universities, such as the University, that could have an adverse effect on the University's financial position and its ability to make the payments required under the Loan Agreement. Without intending to limit the generality of the foregoing, these factors include: competition from other colleges and universities that offer comparable services and programs; an economic downturn in the area served by the University; shortfalls in sources of University revenue other than tuition and fees, such as fundraising campaigns and other general donor contributions or grants; investment losses in endowment and other funds; increasing costs of compliance with governmental regulations, including accommodations for handicapped or special needs students, and costs of compliance with the changes in such regulations; future changes in standards for certification and accreditation by government agencies and by certain nongovernmental agencies; future legislation, regulatory, and judicial or administrative determinations affecting not-for-profit educational institutions and their exemptions from various taxes; and future economic and other conditions which are unpredictable.

Tuition Revenues

Tuition revenue is the principal revenue source for the University. While the University has demonstrated the ability to attract sufficient student demand for its academic programs at current tuition levels, there is no assurance that it will be able to do so throughout the term of the 2025A Bonds to meet fully all of its obligations. Demand for attendance at the University may be subject to factors beyond its control, such as general economic and demographic conditions, funding levels at state-supported and competing private institutions and public and private funding of financial aid programs. The University currently subsidizes a number of students with scholarship and loan programs, which are subject to reduction and limitation. In addition, the academic reputation of the University is a critical factor in 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. Maintaining competitive compensation practices, the availability of affordable housing, as well as other quality-of-life factors, may affect the University's ability to maintain competitiveness with other comparable universities in its ability to attract and retain faculty members and students.

Fundraising

The University has demonstrated an ability to raise funds from a variety of benefactors to finance its operations and capital development programs and to increase its endowment. The University plans to continue those efforts in the future. There can be no assurance, however, that those efforts will 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.

General Economic Conditions

General economic conditions, including disruptions of the credit and financial markets and other economic factors, have in the past and in the future may result in volatility in the securities markets, significant volatility in investment portfolios, increased business failures, and consumer and business bankruptcies. The consequences of these developments for tax-exempt organizations, and particularly institutions of higher education such as the University, may include decreased demand for programs and services, realized and unrealized investment portfolio losses, reduced investment income, limitations on access to the credit markets, difficulties in extending existing or obtaining new liquidity facilities, expenditure of funds to restructure debt capital, borrowing costs and reduced ability of donors to pledge resources or meet their pledge obligations. Accelerating inflation in the economy will cause increases in the costs of goods and services required for the University to provide its academic programs and other services to students, including energy costs, the costs of salaries and benefits to employees, and the costs of food and other goods and supplies.

Fluctuations in Market Value of Investments

Earnings on investments have historically provided the University an important source of cash flow and capital appreciation to support its programs and services, to finance capital expenditure investments and to build cash reserves. Historically, the market value of the investments has fluctuated and, in some instances, the fluctuations have been quite significant. No assurances can be given that the market value of the investments of the University will grow or even remain at current levels. There is risk that such market value will decline.

Government Funding

The federal and state governments provide funding to support education, including tuition assistance. These sources of funding and the governmental programs that support them have been and will continue to be subject to modification and revision due to state and federal policy decisions, legislative action and government funding limitations. The financial condition of the University could be adversely affected by these actions and the ability of the University to maintain its creditworthiness will be based on its ability to successfully manage the outcome of any such actions.

Potential for Additional Legislation or Regulation

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 of 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 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 tax-exempt corporations will not have material adverse effects on the future operations of the University.

Qualified 501(c)(3) Status of University

In rendering their opinions as to the tax-exempt status of interest on the 2025A Bonds for federal income tax purposes, Co-Bond Counsel will rely upon representations of the University with respect to the qualification of the University as a charitable organization described in Section 501(c)(3) of the Code. The failure of the University to be organized and to remain qualified as a so-called “501(c)(3) organization” and to conduct its activities (and, in particular, its activities with respect to the facilities financed or refinanced with the proceeds of the 2025A Bonds) in a manner that is substantially related to its charitable purpose could also result in the interest on the 2025A Bonds or other tax-exempt debt issued for the benefit of the University being included in the gross income of the owners thereof for federal income tax purposes, in some cases retroactive to the date of their original issuance.

Loss of tax-exempt status by the University could result in loss of tax exemption of interest on the 2025A Bonds and of other tax-exempt debt issued for the benefit of the University, and defaults in covenants regarding the 2025A Bonds and such other tax-exempt debt would likely be triggered. Such an event would have materially adverse consequences on the financial condition of the University. Management of the University is not aware of any transactions or activities currently ongoing that are likely to result in the revocation of the tax-exempt status of the University.

The maintenance by the University of its status as an organization described in Section 501(c)(3) of the Code is contingent upon compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions that may cause their assets to inure to the benefit of private individuals. The IRS has announced that it intends to closely scrutinize transactions between not-for-profit corporations and for-profit entities. Although certain specific activities have been the subject of interpretations by the IRS in the form of private letter rulings, many activities have not been addressed in any official opinion, interpretation or policy of the IRS.

Covenant to Maintain Tax-Exempt Status of the 2025A Bonds

The tax-exempt status of the 2025A Bonds is based on the continued compliance by the Authority and the University with certain covenants contained in the Indenture, the Loan Agreement, and certain other documents executed by the Authority and the University. These covenants are aimed at satisfying applicable requirements of the Code and relate generally to use of the proceeds of the 2025A Bonds, maintenance of the status of the University as an organization meeting the requirements of Section 501(c)(3) of the Code, 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 2025A Bonds. Failure to comply with such covenants could cause interest on the 2025A Bonds to become subject to federal income taxation retroactive to the date of issuance of the 2025A Bonds.

Risks Relating to Security for the 2025A Bonds

The collateral pledged by the University under the Security Agreement will also secure, on a parity basis, any other parity indebtedness that the University may incur in the future. The effectiveness of the security interest granted by the University to the Collateral Agent under the Security Agreement in tuition and fees is limited since a security interest in money generally cannot be perfected by the filing of financing statements under the Pennsylvania Uniform Commercial Code (the “UCC”). Rather, such a security interest is perfected by taking possession of the subject funds. The tuition and fees are not required to be transferred to or held by the Collateral Agent until an event of default has occurred and may be spent by the University

or commingled with its other funds. Under such circumstances, the pledge of tuition and fees may not be perfected under the UCC.

The effectiveness of the Security Agreement may be limited by a number of other factors, including: (a) commingling of tuition and fees with other moneys of the University not so pledged under the Security Agreement; (b) statutory liens; (c) rights arising in favor of the United States of America or any agency thereof; (d) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (e) federal bankruptcy laws which may affect the enforceability of the security interest in the tuition and fees which are earned by the University within ninety (90) days preceding and after any effectual institution of bankruptcy proceedings by or against the University; (f) rights of third parties in tuition and fees converted to cash and not in the possession of the Collateral Agent; and (g) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the UCC as from time to time in effect.

Additional Indebtedness

Under the Loan Agreement, the University may incur, guaranty or assume additional indebtedness upon compliance with specified requirements and limitations. Such indebtedness may be secured, on a parity basis with the 2025A Bonds or, under certain circumstance, separately by revenues derived from the operation or sale of financed facilities and/or a mortgage lien on or security interest in the financed facilities or on a subordinate basis to the 2025A Bonds. See "Form of Trust and Indenture and Form of Loan Agreement" in APPENDIX C hereto for a discussion of the requirements and limitations relating to the incurrence of and security for additional indebtedness which may be incurred by the University.

Enforceability of Remedies

The remedies available to Bondholders upon an event of default under the Indenture and Loan Agreement are in many respects dependent upon judicial action which may be subject to discretion or delay. Under current federal law, involuntary petitions for relief under Title 11 of the United States Code, as amended (the "Bankruptcy Code"), are not permitted against not for profit corporations such as the University. In addition, under existing law and judicial decisions, including specifically the Bankruptcy Code, the remedies (including, without limitation, specific performance) specified in the Indenture and Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the original delivery of the 2025A Bonds will be qualified as to enforceability of the various legal instruments (including the Indenture and Loan Agreement) by a number of limitations, including those imposed by the bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights and by the application of equitable principles.

Potential Effects of Bankruptcy

Under existing law, if the University were to file a petition for relief under the Bankruptcy Code, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the University and its property. If the bankruptcy court so ordered, the University's property, including its revenues, could be used for the benefit of the University despite the claims of its creditors (including the Trustee).

In a bankruptcy proceeding, the University could file a plan for the adjustment of its debts which modifies the rights of creditors generally or the rights of any class of creditors, secured or unsecured. The plan, if and when confirmed by the court, would bind all creditors who had notice or knowledge of the plan and discharge all claims against the debtor provided for in the plan. No plan may be confirmed unless, among other conditions, the plan is in the best interest of creditors, is feasible and has been accepted by each class of claims impaired thereunder.

Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

In case of financial difficulties, the University may also commence state court receivership proceedings.

There can be no assurance that Bondholders or Beneficial Owners will receive all or any amount as payment with respect to the 2025A Bonds under any plan or court order resulting from the bankruptcy, receivership or other similar court action.

Property Tax Assessments

A number of local taxing authorities in Pennsylvania, including local townships and school districts, have sought to subject the facilities of nonprofit entities to local real estate taxes, primarily by challenging their status as “purely public charities” as described in the Pennsylvania Constitution, notwithstanding the fact that the facilities of a Pennsylvania nonprofit have been viewed as exempt from such taxes. In response to the uncertainty resulting from divergent court decisions, the Pennsylvania legislature enacted The Institutions of Purely Public Charity Act on November 26, 1997, which, among other things, sets forth specific criteria to be met by an entity in order for such entity to be deemed an “institution of purely public charity.” The criteria are highly fact-specific and are to be used by the courts as guidance; therefore, there are no assurances that the University’s facilities will meet such criteria now or in the future.

Cybersecurity Risks

Like all institutions of higher learning, the University relies heavily on digital technologies to conduct its operations, and therefore faces multiple cybersecurity threats including, but not limited to, hacking, phishing, viruses, malware and other attacks. The University attempts to minimize the risk of cybersecurity threats and maintains a security posture designed to deter such threats. However, cybersecurity attacks may still occur, which could cause material disruption of the University’s finances and operations. The costs of remedying any such damage or protecting against future threats could be substantial. Further, cybersecurity breaches could expose the University to material litigation and other legal risks, which could cause the University to incur material costs related to such legal claims or proceedings. Additionally, third party service providers that work with the University also face cybersecurity threats that could spread or materially adversely affect the operations or financial condition of the University.

Risks as Employer

The University is a major employer, combining a complex mix of tenured and untenured full-time faculty, part-time faculty, technical and clerical support staff and other types of workers in a single operation. As with all large employers, the University bears a wide variety of risks in connection with its employees. These risks include discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees or between employees and students) and other risks that may flow from the relationships between employer and employee or between students and employees. Certain of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance.

Secondary Market for the 2025A Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the 2025A Bonds or, if a secondary market exists, that the 2025A Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the 2025A Bonds at the request of the owners thereof.

Prices of the 2025A Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the 2025A Bonds. Such market value could be substantially different from the original purchase price.

Other General Risk Factors Relating to the Finances and Operations of the University

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.

- Changes in the demand for private higher educational programs in general or for programs offered by the University in particular;
- The spread of COVID-19 variants or any other similar outbreaks in the future may adversely impact the University's operations or revenues;
- Continuing economic inflation, including increases in salaries, wages, the cost of goods, supplies and services required to provide the University's academic programs and other services, including the cost and availability of energy, as well as the impact on global supply chains that may affect the ability of the University to obtain on a timely basis the goods required for its operations or for capital improvements;
- Future interest rates, which could prevent borrowing for needed capital expenditures;
- An increase in the costs of health care benefits, retirement plan, or other benefit packages offered by the University to its employees and retirees (see "Retirement Plan" in APPENDIX A hereto for a discussion of the University's retirement benefits);
- A significant decrease in the value of the University's investments caused by market or other factors (see "Endowment" in APPENDIX A hereto for a discussion of the University's investments);
- Unknown litigation, regulatory actions or other similar claims regarding the University or any of its affiliates (see "Litigation" in APPENDIX A hereto);
- A reduction in charitable pledges, grants and other fundraising support of the University (see "Fundraising and Grants" in APPENDIX A hereto for a description of fundraising activities at the University);
- Unionization, employee strikes and other adverse labor actions that could result in a substantial reduction in revenues or increases in costs;
- The adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the University;
- Increased costs and decreased availability of liability insurance, property insurance or other forms of insurance that organizations such as the University generally carry;

- The occurrence of natural disasters, climate change, acts of terrorism (including cyberterrorism), acts of war, imposition of governmental embargoes, sanctions or limitations on foreign student matriculations, riots, or any other similar events, which may damage the facilities of the University, interrupt utility service, reduce the number of student applicants, or otherwise impair the finances and/or operations of the University;
- Reduced availability of qualified faculty to teach the programs offered by the University;
- A decline in the demographic pool of candidate who may elect to attend the University;
- A decrease in student loan funds or other aids that permits many students the opportunity to pursue higher education;
- The decline, freeze or elimination in funding, including research funding, from the United States government, including without limitation, as a result of executive branch actions and policies;
- Changes in management, personnel or the administration of the university, or in the University's strategic focus;
- Costs and availability of energy;
- Reduced future University net tuition revenues as a result of a need to increase tuition discounting to attract students;
- Increased competition from other institutions of higher learning which may offer similar academic programs or may recruit similar students, and that may result in reduced enrollments and reduced University revenues;
- Increasing costs of compliance with governmental regulations, including accommodations for handicapped or special needs students, and costs of compliance with the changes in such regulations;
- the occurrence of natural disasters, including floods and hurricanes and pandemics and similar events, which might damage the facilities of the University, interrupt service to such facilities or otherwise impair the operation and ability of such facilities to reduce revenue;
- Loss of accreditation for the University or key academic programs;
- An inability to retain students, resulting in enrollment losses and reduced revenues; and
- A downgrade in the University's bond rating to a level which prevents the University from being able to borrow at affordable rates in the future.

TAX MATTERS

Federal Tax Exemption

In the opinion of Co-Bond Counsel, under existing law, and assuming continuing compliance by the Authority and the University with certain certifications and agreements relating to the use of the 2025A Bond proceeds and covenants to comply with provisions of the Internal Revenue Code of 1986, as amended (the "Code") and all applicable regulations thereunder, now or hereafter enacted, interest on the 2025A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the 2025A Bonds is taken into

account in determining annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the federal alternative minimum tax imposed on such corporations.

The opinion of Co-Bond Counsel on federal tax matters will be based upon and will assume the accuracy of certain representations and certifications, and compliance with certain covenants, of the Authority and the University to be contained in the transcript of proceedings for the issuance of the 2025A Bonds and that are intended to evidence and assure that the 2025A Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Co-Bond Counsel will not independently verify the accuracy of those certifications and representations or covenants.

The Code prescribes a number of qualifications and conditions for the interest on state and local obligations to be and to remain excludable from gross income for federal income purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with these requirements by the Authority or the University may cause the interest on the 2025A Bonds to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to their date of issuance. The Authority and the University have covenanted to take the actions required of it for the interest on the 2025A Bonds to be and to remain excludable from gross income for federal income tax purposes and not to take any actions that would adversely affect that exclusion. Co-Bond Counsel have not undertaken to evaluate, determine or inform any person, including any holder of the 2025A Bonds, whether any actions taken or not taken, events, events occurring or not occurring, or other matters that might come to attention of Co-Bond Counsel, would adversely affect the value of, or tax status of the interest on, the 2025A Bonds.

The opinion of Co-Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities and represents Co-Bond Counsel's judgment as to the proper treatment of the 2025A Bonds for federal income tax purposes. It is not a guarantee of any result, and is not binding on the Internal Revenue Service or the courts.

Co-Bond Counsel are not rendering any opinion as to any federal tax matters other than those described under this caption "**Federal Tax Exemption**" and expressly stated in the proposed form of the opinion of Co-Bond Counsel included as Appendix D hereto. PROSPECTIVE PURCHASERS OF THE 2025A BONDS SHOULD CONSULT THEIR INDEPENDENT TAX ADVISORS WITH REGARD TO ALL FEDERAL TAX MATTERS.

Co-Bond Counsel's engagement with respect to the 2025A Bonds ends with the issuance of the 2025A Bonds.

Risk of Future Legislative Changes and/or Court Decisions

Under the provisions of the Code, the Treasury Department is authorized and empowered to promulgate regulations implementing the intent of Congress under the Code which could affect the tax exemption and/or tax consequences of holding tax-exempt obligations, such as the 2025A Bonds. In addition, legislation may be introduced and enacted in the future which could change the provisions of the Code relating to the tax-exempt bonds of Code section 501(c)(3) corporations such as the University, or the taxability of interest in general.

Proposals to alter or eliminate the exclusion of interest on tax-exempt bonds from gross income for some or all taxpayers have been made in the past and may be made again in the future. Future legislation,

if enacted into law, or clarification of the Code may cause interest on the 2025A Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the 2025A Bonds. PROSPECTIVE PURCHASERS OF THE 2025A BONDS SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING ANY PROPOSED FEDERAL TAX LEGISLATION, AS TO WHICH CO-BOND COUNSEL EXPRESS NO OPINION.

No representation is made or can be made by the Authority, the University or any other party associated with the issuance of the 2025A Bonds as to whether or not any other legislation now or hereafter introduced and enacted will be applied retroactively so as to subject interest on the 2025A Bonds to federal income taxes or so as to otherwise affect the marketability or market value of the 2025A Bonds.

Original Issue Discount and Original Issue Premium

The 2025A Bonds maturing on _____ are offered at a discount (“original issue discount”) equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a 2025A Bond accrues periodically over the term of the 2025A Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder’s tax basis in a 2025A Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Holders should consult their tax advisers for an explanation of the accrual rules.

The 2025A Bonds maturing on _____ are 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 2025A Bond through reductions in the holder’s tax basis for the 2025A 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.

State Tax Exemption

Under the laws of the Commonwealth as presently enacted and construed, the interest on the 2025A Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

The 2025A 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.

Other

THE ABOVE SUMMARY OF POSSIBLE TAX CONSEQUENCES IS NOT EXHAUSTIVE OR COMPLETE. ALL PURCHASERS OF 2025A BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POSSIBLE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE 2025A BONDS AND ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL TAX LEGISLATION. ANY STATEMENT REGARDING TAX MATTERS HEREIN CANNOT BE RELIED UPON BY ANY PERSON TO AVOID TAX PENALTIES.

See APPENDIX D hereto for the Form of Opinions of Co-Bond Counsel.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, and sale of the 2025A Bonds will be passed upon by McNees Wallace & Nurick LLC, Harrisburg, Pennsylvania, and Law Office Of Nathaniel Holmes, Harrisburg, Pennsylvania, as Co-Bond Counsel. The form of the opinions of Co-Bond Counsel with respect to the 2025A Bonds is included in APPENDIX D hereto. Certain legal matters will be passed upon for the Authority by the Office of General Counsel, Pennsylvania Department of Community and Economic Development, Harrisburg, Pennsylvania; for the University by its counsel, Reed Smith LLP, Philadelphia, Pennsylvania; and for the Underwriter by its counsel, Dilworth Paxson LLP, Philadelphia, Pennsylvania.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The financial statements of the University as of June 30, 2024, and 2023, and for the fiscal years then ended, included in APPENDIX B to this Official Statement, have been audited by Capin Crouse LLP, independent certified public accountants, as stated in their report appearing herein.

RATING

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), has assigned the 2025A Bonds long-term municipal bond rating of "BBB-" (Stable Outlook). Any explanation of the significance of such rating may only be obtained from S&P.

The University has furnished to the rating agency certain information and material concerning the 2025A Bonds and itself. Generally, rating agencies base their ratings on this information and materials and on investigations, studies and assumptions made by the rating agencies themselves. There is no assurance that the rating initially assigned to any of the 2025A Bonds will be maintained for any given period of time or that such rating may not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any downward change in or the withdrawal of any such rating might have an adverse effect on the market price or marketability of the 2025A Bonds to which it applies.

UNDERWRITING

Pursuant to the provisions of a purchase contract among the Authority, the University and Raymond James & Associates, Inc. (the "Underwriter"), the Underwriter has agreed, subject to certain conditions, to purchase the 2025A Bonds from the Authority at a purchase price of \$_____ (reflecting the par amount of the 2025A Bonds, plus[less] net original issue premium[discount] in the amount of \$_____, and less an underwriting discount of \$_____). The Underwriter will be obligated to purchase all of such Bonds if any are purchased. The public offering prices may be changed, from time to time, by the Underwriter.

The purchase contract for the 2025A Bonds requires the University to indemnify the Authority and the Underwriter against certain liabilities relating to the Official Statement.

The Underwriter may offer and sell the 2025A Bonds to certain dealers (including dealer banks and dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices. Such initial public offering prices may be changed from time to time by the Underwriter.

The Underwriter and its respective 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 activities. The Underwriter and its respective affiliates have, from time to time, performed, and may in the future perform,

various investment banking services for 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) and financial instruments (which may include bank loans and/or credit default swaps) 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 University.

FINANCIAL ADVISOR

The University has retained FSL Public Finance, Harrisburg, Pennsylvania, as Financial Advisor with respect to the authorization and issuance of the 2025A Bonds. The Financial Advisor is not obligated to undertake or assume responsibility for, nor has it undertaken or assumed responsibility for, an independent verification of the accuracy, completeness or fairness of the information contained in this Official Statement.

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 2025A Bonds, or in any way contesting or affecting the validity of the 2025A 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 2025A Bonds or the existence or powers of the Authority.

The University

In the ordinary course of business, the University is from time to time subject to various legal actions. At the current time, the University is not aware of any litigation pending or threatened against the University, wherein an unfavorable decision would adversely affect the ability of the University to meet its obligations under the 2025A Bonds and the documents pursuant to which they will be issued or which may result in any material adverse effect on the University's operations or financial position. See "Litigation" in APPENDIX A hereto.

CONTINUING DISCLOSURE UNDERTAKING

In connection with the issuance of the 2025A Bonds, the University will execute a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with the Trustee pursuant to which the University will covenant, in compliance with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), to provide certain annual financial information and operating data (collectively, the "Annual Report") not later than 180 days following the end of each fiscal year of the University, commencing with the fiscal year ending June 30, 2025, and notices of the occurrence of certain specified events required by the Rule. The Annual Report and event notices will be filed by or on behalf of the University with the Municipal Securities Rulemaking Board (the "MSRB" in electronic form specified by the MSRB. The specific nature of the information to be contained in the Annual Report or the event notices is described in the form of the Continuing Disclosure Agreement attached hereto as APPENDIX E.

The Continuing Disclosure Agreement will terminate upon payment or provision for payment in full of the 2025A Bonds.

The form of the Continuing Disclosure Agreement is attached hereto as APPENDIX E.

In reviewing its prior filings with EMMA made during the five years prior to the date of this Official Statement, the University has noted that while it filed complete annual reports on a timely basis under all of its current continuing disclosure agreements, it failed to file certain data in its annual report under “Gifts, Contributions and Grants” in 2021 as required by a continuing disclosure agreement for bonds that are no longer outstanding.

The Authority is not a party to the Disclosure Agreement, and is not required to provide disclosure regarding its financial condition because, among other things, its financial condition is not material to an investment in the 2025A Bonds. In addition, the Authority has no responsibility for the University’s compliance with the Disclosure Agreement or for the information provided by the University thereunder.

MISCELLANEOUS

This Official Statement has been duly approved by the University, and solely as to and for purposes of distribution, by the Authority. The Authority and the University have authorized its distribution in connection with the offering of the 2025A Bonds. This Official Statement is not to be construed as a contract or agreement between the Authority or the University and the purchasers or holders of any 2025A Bonds.

All of the summaries of the provisions of the Act, the Indenture, the Loan Agreement, the Collateral Agency Agreement, the Security Agreement, the Continuing Disclosure Agreement and the 2025A Bonds set forth herein are only brief outlines of certain provisions thereof and are made subject to all of the detailed provisions thereof, to which reference is hereby made for further information, and do not purport to be complete statements of any or all such provisions of such document.

The 2025A Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

Information concerning the University has been provided by the University. All estimates, projections, and assumptions herein have been made on the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates, projections, or assumptions are correct or will be realized. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact. The Authority and the University have authorized the execution and distribution of this Official Statement. The Authority has not assisted in the preparation of this Official Statement, except for the statements under the sections captioned "INTRODUCTION – The Authority," "THE AUTHORITY" and "LITIGATION – The Authority" herein and, except for those sections, the Authority is not responsible for any statements made in this Official Statement. Except for the authorization, execution, and delivery of documents required to effect the issuance of the 2025A Bonds, the Authority assumes no responsibility for the disclosures set forth in this Official Statement.

PENNSYLVANIA ECONOMIC DEVELOPMENT
FINANCING AUTHORITY

By: _____
Craig S. Petrasic, Executive Director

Approved:

EASTERN UNIVERSITY

By: _____

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A
CERTAIN INFORMATION CONCERNING
EASTERN UNIVERSITY

[THIS PAGE INTENTIONALLY LEFT BLANK]

Appendix A

Overview of Eastern University

Eastern University (“Eastern” or the “University”) is a Pennsylvania nonprofit corporation that owns and operates a private, Christian, co-educational, comprehensive university offering a high-quality education that integrates faith, reason and justice in undergraduate, graduate and accelerated adult programs. The University’s 94-acre main campus is located in St. Davids, Pennsylvania, a western suburb of Philadelphia, with many programs also offered online. The University has received a determination from the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The University also has additional locations including a facility on City Avenue in Philadelphia, its Esperanza College in North Philadelphia, and a site in Ripley, West Virginia through which its Palmer Seminary offers a Master of Divinity program. See “Facilities and Housing” herein.

Through various programs, an active campus community, and service-learning opportunities, Eastern is committed to providing students with transformative, accessible, and affordable education.

Despite operating in a highly competitive market that is experiencing demographic challenges, Eastern has been thriving. In the past five years, headcount enrollment has grown from approximately 3,500 to over 8,700 students in fall 2024. This growth has resulted in strong financial performance that has enabled the University to reinvest in its programs and campus.

Part of its success can be attributed to the University’s efforts to offer high quality, high demand, affordable, online educational programs to both traditional and nontraditional students. The University offers a variety of its “LifeFlex™” programs that reflect this quality + price strategy. These niche, signature programs include the following:

- BS in Early Childhood Education
- BS in Special Education
- Doctor of Marriage and Family Therapy (DMFT)
- MBA in Organizational Management
- MS in Data Analytics
- MS in Data Science
- Master of Science in Nursing (MSN)
- Master of Social Work (MSW)

These signature programs have also gained recognition. For example, the MS in Data Science program has been ranked among the best online MS in Data Science Programs over the past 24 months by numerous publications.¹

¹ Ranked #1 - 2023-2024 by Best Value Schools; 2024 – Intelligent; 2023 – Fortune Magazine; 2023 – Discover Data Science

Acknowledgements

The University has enjoyed many other accolades and has been ranked among:

- Best Regional Universities in the North by U.S. News and World Report for 2024-2025
- #3 on Forbes' Best Online Doctorates in Organizational Leadership for 2024
- Forbes' Top 10 Master's in Special Education Online Programs of 2023
- 10 Most Affordable Online MBA Programs for 2022-2023
- Top 20 Online Colleges in Pennsylvania 2020
- Top 25 Christian Colleges from College Consensus for 2020
- Top 20 Colleges and Universities in Pennsylvania for 2020 by WalletHub
- U.S. News and World Report in 2019 as Top College for Veterans among North Regional Universities

History of the University

The University was founded in 1925 as Eastern Baptist Theological Seminary. On April 17, 1951, the Board of Trustees voted to secure a charter and organize Eastern Baptist College as a separate institution. Eastern Baptist College became a separate institution in 1952 and purchased the Charles S. Walton estate, located along Philadelphia's historic "Main Line," where it is currently located. In 1972, the legal name of the College was changed to "Eastern College: A Baptist Institution". University status was granted by the Pennsylvania Department of Education in Fall 2001, and the name was changed to "Eastern University".

The University reunited with Eastern Baptist Theological Seminary during 2004. The corporate merger of Eastern Baptist Theological Seminary into Eastern University was approved by the Pennsylvania Department of Education in February 2004 and became effective with the Pennsylvania Department of State in March 2004. For financial purposes, the merger was effective July 1, 2003. The Department of Education also transferred to Eastern University the authority to offer the programs and award the degrees previously offered by Eastern Baptist Theological Seminary. The Seminary's name was legally "Eastern Baptist Theological Seminary: a professional school of Eastern University". In July 2005, the Seminary's name was changed to Palmer Theological Seminary in honor of its longest serving President.

The University was founded with a unique mission that incorporated Biblical education and philosophy, community service, traditional liberal arts education, and vocational learning in a common environment. The University now also incorporates graduate, professional and Seminary education.

On March 19, 2025, the University celebrated its Centennial anniversary.

Vision / Mission Statements/Core Values

The University has adopted a vision, mission statement, and core values as follows:

Vision

As a community, Eastern University will Listen. Love. Learn. Lead.

Mission Statements

Eastern University is a diverse, Christ-centered community preparing graduates to impact the world through faith, reason, and justice. This mission serves as the philosophical and operational foundation in every facet of the academic, administrative, and student collegiate experience at the University. This amalgamation of philosophy, ideology and action has resulted in 100 years of student training to selflessly and morally serve the interests of the community, the family and the business world.

Core Values

E - Excellence:

We strive to achieve the highest standards in serving our community through distinctive academic experiences, student services, and community life.

A - Authenticity:

We live with integrity and honesty, upholding the highest ethical standards as we seek to honor God with our lives, relationships, and work.

S - Stewardship:

We treat our resources as gifts God has entrusted to us, including our earth, environment, facilities, and finances.

T - Thoughtfulness:

Inspired by our commitment to truth, we think deeply, holistically, and critically about the world God has given us, benefiting from the insights offered by each individual in our rich learning community.

E - Enthusiasm:

Anchored by our hope and joy in Christ, we approach each situation with optimism, working toward favorable outcomes, and celebrating our successes.

R - Relationships:

With an attitude of humility and kindness, we honor and respect the dignity of each individual, promoting community, working to bring reconciliation to broken relationships, and championing diversity, equity, and belonging.

N - iNnovation:

Promoting accessibility and affordability, we seek new and more effective approaches to education, exercising creativity to chart inventive paths forward into the future.

Strategic Plan

The current five-year strategic plan adopted for 2022-2027 and entitled “Inspire. Innovate. Impact.” charts a course that has taken the University from its former state of institutional stability to its current state of genuine strength. The results will secure the University’s missional service to students for decades to come. The University’s strategic plan is based on the following key initiatives:

Imperative 1: Advancing Our Mission

Promote our Christian Mission and Values within and beyond the University community.

Building upon our foundational commitment to faith, reason, and justice, we will strive to model a diverse, Christ-centered community that both lives and serves together and positively contributes to the wider global society.

1. Increase support within the institution for Eastern University's unique mission and values.
2. Increase opportunities for local, national, and global missional influence.
3. Implement a comprehensive approach for sharing our accomplishments.

Imperative 2: Innovating with Excellence

Provide innovative, high-quality curricular, co-curricular, and extra-curricular experiences for all students.

The current climate in higher education is increasingly competitive and continuously changing. To thrive in this environment, we must innovatively improve our blend of curricular, co-curricular and extra-curricular experiences, with attention to affordability and accessibility. "Innovative" in this imperative includes both inventive strategies within higher education and strategies that are new to Eastern University.

1. Enhance the academic culture of Eastern University through reimagined approaches to academic excellence and curriculum development.
2. Significantly expand the number of, and enrollments in, "flexed" academic programs.
3. Enhance and expand engaging events and activities for all students.
4. Expand student participation in existing and new NCAA athletic programs and intramural/club programs.
5. Provide staffing and funding for increased and equitable student participation in co-curricular career development experiences.
6. Invest in reimagining and renovating existing facilities including Residence Halls to provide attractive and inviting student spaces and experiences.

Imperative 3: Cultivating Community

Intentionally and systemically create a united, diverse, and equitable Christian community of belonging.

We will pursue the priority of Christian love by nurturing a community that respects and values the diverse backgrounds, identities, and perspectives of our students, faculty, staff, and alumni. As an institution of higher education, we acknowledge that this work is ongoing as we commit to learning new ways of being in community.

1. Complete a university-wide Diversity and Cultural Audit.
2. Implement an action plan that creates opportunities to celebrate commonalities, differences, and complexities.
3. Promote engagement and accountability among all stakeholders.
4. Foster and support the academic, spiritual, relational, and psychological development of all students.
5. Recruit and retain diverse faculty, staff, and students.
6. Teach in culturally responsive and diverse ways.

Imperative 4: Flourishing Employees

Continue to invest in our employees' well-being with a focus on compensation, quality of life, recruitment, and retention.

The people who comprise our community are Eastern's greatest strength. Therefore, we seek to foster a healthy work environment that recruits and retains excellent employees. Our objective is to provide not only market-based wages, but meaningful opportunities for development, advancement, and engagement.

1. Implement a multi-year strategy for a competitive salary and benefits structure for all University employees.
2. Develop departmental/divisional staffing strategies, based on industry benchmarks, that are scalable to enrollment levels and the University's resource context.
3. Foster a University-wide culture of professional development.
4. Nurture a Christ-centered ethos that defines and promotes fellowship, spiritual growth, and accountability in all facets of the University.

Imperative 5: Funding Strategically

Elevate the Eastern experience through increased income and philanthropic support of University strategic initiatives.

Eastern University will acquire new resources and grow current funding sources necessary to promote our vision and mission and to support our strategic priorities. This requires multi-faceted community participation and engagement.

1. Create and launch a formal, funded, comprehensive master improvement plan.
2. Increase participation of University stakeholders in promoting fundraising and other kinds of support for the University's mission.
3. Secure significant financial resources to fund identified initiatives in academics, arts, and athletics.
4. Operationalize a robust external university communications function that strengthens Eastern's visibility and supports a culture of philanthropy.

Governance of the University

The affairs of the University are governed by its Board of Trustees (the "Board"). The current Bylaws of the University establish the size of the Board at no less than 25 elected members; and not more than 42 elected members, exclusive of the President of the University who serves as an ex-officio member of the Board with the privilege to vote. The Board currently consists of 30 persons, including the President of the University. The trustees are elected by a majority vote of the Board for a period of three years. There are three staggered classes of trustees of nearly equal number with approximately one third completing their term annually. The Board has 12 Trustees Emeriti who do not vote.

Each member of the Board (as well as each administrative officer or full-time faculty) is required under the Bylaws to subscribe and adhere to a Doctrinal Basis set forth in the Bylaws. The approval by a minimum of 75% of the members of the Board is required to decide matters pertaining to: (a) the interpretation, application or amendment of the Doctrinal Statement of the University set forth in the Bylaws, (b) issues of denominational affiliation, (c) the disposition of the University's properties, and (d) the alteration, transfer, merger, or dissolution of the corporation.

The Board convenes three times annually, typically in February, May and November. Most Board business is conducted by standing committees: Academic and Student Development Committee; Advancement Committee; Finance and Operations Committee; Audit Committee; Executive Committee; Executive Compensation Sub-Committee; Governance and Strategic Planning Committee. Additional committees may be established at the discretion of the Board.

The Board is currently comprised of the following individuals, with officers and the President designated in bold along with the year in which each individual was first elected to the Board and the expiration date of current term.

Board of Trustees		Position	Member Since	Term Expires	Occupation
1	Steven Clemens	Chair of the Board of Trustees	2004	2025	Partner at Goodwin Procter LLP
2	Ronald Matthews	President	2018		President, Eastern University Senior Vice President for the Education Department at American Progress
3	Jared Bass	Board member	2020	2027	
4	Dr. Jacob Chatman	Board member	2004	2025	Senior Pastor, Pinn Memorial Baptist Church
5	Dr. Darla Coffey	Board member	2024	2027	Senior Leadership Fellow at School of Social Policy and Practice at University of PA
6	Rev. Danny Cortes	Board member	1999	2026	Executive Vice President, Esperanza Inc.
7	Rev. Albert G. Davis, Jr.	Board member	2006	2027	Senior Pastor, Mt. Calvery Baptist Church
8	Rev. Dr. W. Wilson Goode, Sr.	Board member	2001	2025	President, AMACHI, Inc.
9	Donald Hilliard, Jr.	Board member	2020	2027	Senior Pastor and CEO of Cathedral International
10	Matthew Kane	Treasurer	2017	2027	President, Compass Ion Advisors, LLC
11	Kara King	Board member	2020	2026	Vice President and Site Lead at Pfizer
12	Dr. Jean B. Kim	Board member	2014	2027	Retired
13	Dr. Taek Lee	Board member	2024	2027	Chief Financial Officer at Gallup
14	Rev. Dr. Trisha Manarin	Board member	2024	2027	Executive Director/Minister at District of Columbia Baptist Convention
15	Dr. Michael Mandarino	Board member	2010	2025	Medical Doctor
16	Mario Martinez	Board member	2020	2026	Managing Member at Wisdom Capital
17	Katherine Hoyt McNabb	Board member	2022	2025	N/A
18	J. Michael McNamara	Board member	2014	2026	Chief Executive Officer, Impact Health
19	Jeffrey A. Morrison	Board member	2014	2027	Retired
20	Leah Mulhearn	Board member	2017	2026	N/A
21	Charles A. Olson III	First Vice Chair	2001	2025	CEO of The Olson Research Group, Inc.
22	Stacey Sauchuk	Secretary	2005-12, 2019	2025	N/A
23	Adam Shute	Second Vice Chair	2017	2026	Executive Vice President at JLL
24	Mark Seymour	Board member	2023	2027	President at Christian School Association of Greater Harrisburg, Inc.
25	Rev. Dr. Tony Sundermeier	Board member	2024	2027	Senior Pastor at First Presbyterian Church of Atlanta
26	Dr. F. Ardell Thomas	Board member	1980	2025	Retired
27	Robert Tomilson	Board member	2019	2025	Member at Clark Hill PLC
28	Mark Wagner	Board member	2022	2026	Founder of Athlete Match and Future 500 ID Camps
29	Rev. Dr. Alyn E. Waller	Board member	2006	2027	Pastor, Enon Tabernacle Baptist Church
30	Rebecca Walter	Board member	2022	2026	N/A
31	E Shepard Farrar	Board member	2025	N/A	Retired

Trustees Emeriti		Member Since	Emeritus Status	Occupation
1	Louis Barbarin	2014	2023	CEO of MMBB Financial Services
2	Honorable Louis Williams Bishop	1998	2010	Former Pennsylvania State Representative
3	Delores F. Brisbon	1998	2016	Retired
4	Donald Gough	1982	2019	President at Gough Management Company

5	Arthur W. Hill	1993	2015	Retired
6	John Honor, Jr.	2000	2013	Retired
7	Lucy Huff	2009	2017	Retired
8	Aljit Joy	2022	2023	Managing Director at Cirquare
9	Richardson Merriman	2002	2017	Vice Chairman at Fiduciary Trust International
10	Thomas M. Petro	2000	2017	Venture Investor, 1867 Capital
11	Richard E. Rusbuldt	1992	2016	Retired
12	Malcolm Street	2007	2013	Retired

Administration and Management

Dr. Ronald A. Matthews is the President and Chief Executive Officer of the University. The President is elected by the Board and is responsible for implementing the policies of the Board. The President and the Cabinet comprise the senior leadership team of the University. The Cabinet consists of the Chief of Staff and Vice Presidents of the University. The Vice Presidents oversee and report on the various divisions and functions of the University and serve as advisors to the President. The senior leadership team and brief bios for each follow below:

<u>Name</u>	<u>Position</u>	<u>Tenure (years)</u>
Dr. Ronald Matthews	President	7
Trevor S. Jackson	Vice President for Finance and Operations	2
Dr. Christine Mahan	Chief of Staff and Vice President for Planning & Effectiveness	15
Dr. Kenton Sparks	Provost and Vice President for Academic Affairs	25
Luisa Wilsman	Vice President for Advancement	4
Melissa Bryant	Vice President for Student Development	Official Start 3/3/25

Dr. Ronald Matthews, President

Ronald A. Matthews joined Eastern University in 1992 and was appointed the 10th President of the University effective March 1, 2018. Prior to this call, Dr. Matthews served as Professor of Music, Chair of the Music Department, and since 2010, Executive Director of the Fine and Performing Arts Division.

Born and raised in Philadelphia, Dr. Matthews graduated from Central High School. Having received a Philadelphia Board of Education music scholarship, he did his undergraduate work in Church Music and Organ at Westminster Choir College where he graduated magna cum laude and received both the Senior Class Conducting Award and the Christian Leadership Award. Dr. Matthews received the Master of Music degree in Choral Conducting from Temple University, during which time he was invited to conduct the Jerusalem Chamber Orchestra for a recording project in Tel Aviv.

At the age of 23, Dr. Matthews was invited to join the faculty of Nyack College as the Director of Choral Activities. He received his Doctor of Musical Arts degree from Combs College of Music in Composition with an emphasis in Orchestral Conducting.

From 1982-1992, Dr. Matthews was the Chair of the Department of Music at what is now Cairn University. For several years, he was a Thomas F. Staley Foundation lecturer/artist and served on professional and denominational boards and task forces. From 2005 until 2018, he was the Pastor of Worship Arts at Church of the Saviour in Wayne, PA.

Trevor S. Jackson, Vice President for Finance and Operations

Trevor S. Jackson serves as Vice President for Finance and Operations at Eastern. His areas of oversight include Accounting, Finance, Facility Services, Human Resources, Information Technology, Student Accounts, Conferences, Special Events, and Logistics, Auxiliary Services, and Public Safety. He joined the Eastern community as the Chief Financial Officer in January 2023.

Mr. Jackson has over 20 years of experience in higher education. Prior to his position at Eastern, he held positions as Vice President for Finance and Administration at Harford Community College, Chief Financial Officer at K-12 schools in Pennsylvania in the Allentown City School District, and as an adjunct professor at Alvernia University teaching public and private finance in their educational graduate program.

Over the course of his career, he has developed and implemented complex budgets in excess of \$240 million and managed capital projects over \$150 million. In addition, he spent 10 years working and traveling internationally on two professional race teams in the Indy Car Racing Series, Penske Racing and PacWest Racing Group based in Indianapolis. He served as a data analyst, in addition to performing research and development on new and experimental parts for the Indy cars.

Mr. Jackson has earned both a bachelor's and a master's degree in business administration from Kutztown University of Pennsylvania.

Dr. Christine Mahan, Chief of Staff and Vice President for Planning and Effectiveness

Christine Mahan is Chief of Staff and Vice President for Planning and Effectiveness at the University. Her responsibilities include serving as the principal aide to the President and providing leadership for the University's strategic planning, institutional research, accreditation, risk management and institutional effectiveness activities. As Chief of Staff, Dr. Mahan handles a wide range of institutional matters on behalf of the President and typically serves as the President's main liaison with a variety of internal and external constituencies. She joined the Eastern community in 2010 as Associate Provost for Institutional Effectiveness.

Dr. Mahan has served in the field of higher education for more than thirty years. Positions held include various faculty and administrative posts across multiple sectors of higher education—proprietary, two-year, private, non-profit, and public research universities, as well as in accreditation. Prior to coming to Eastern, she served in administrative roles at University of Pennsylvania and University of Maryland, College Park.

Dr. Mahan earned her Ph.D. in Education Policy from University of Maryland, College Park; M.A. in English from University of Iowa; and B.A. in English and Rhetoric, cum laude and with distinction from University of Illinois-Urbana.

Dr. Kenton Sparks, Provost and Vice President for Academic Affairs

Kenton Sparks currently serves as Provost and Vice President for Academic Affairs at Eastern, providing leadership for the university's academic, student affairs, athletics, marketing, and enrollment offices. He joined the Eastern community as a professor of Biblical Studies in 2000.

Dr. Sparks moved into the Provost Office in 2017 after serving for several years as Vice President for Marketing and Enrollment. Before that, he served as Special Assistant to the President and Assistant Provost.

In addition to his experience in administration, Dr. Sparks is an accomplished scholar and teacher. As Professor of Biblical Studies at Eastern, he has written five books and numerous articles, has served as the regional president for the Society of Biblical Literature, and was recognized as Teacher of the Year at the University. He is also a recipient of the Lindback Foundation Award for Excellence in Teaching. Sparks is an ordained pastor and came to the University after serving seven years on the pastoral staff of Providence Baptist Church in Raleigh, NC, where he was responsible for teaching and preaching and for administrative duties in missions, evangelism and worship. During this period, he also served on the Board of Directors for Regent School of Raleigh (now Trinity Academy), a private K-12 Christian school. Dr. Sparks was in prior years the Director of Technical Services at Fleece Library, Columbia International University.

Dr. Sparks earned his bachelor's degree in biblical studies from Johnson University, the master's degree in Hebrew Bible from Columbia International University, the Master's in Business Administration from Kennesaw State University, and the Doctor of Philosophy in Religious Studies from the University of North Carolina, Chapel Hill.

Luisa Wilsman, Vice President for Advancement

Luisa Wilsman was appointed Vice President for University Advancement in 2021 where she works closely with administrative and academic leadership to develop advancement plans and resources to fulfill the University's mission and support its continued improvement. She is responsible for overseeing Eastern's overall efforts for building partnerships with philanthropic and volunteer communities, including University alumni, parents and friends.

Prior to joining Eastern, Ms. Wilsman served the Ascension Saint Thomas Foundation where she provided leadership for hospital system campaign initiatives. She was honored in 2020 as one of the Association for Healthcare Philanthropy's (AHP) top 40 under 40 in philanthropy.

Ms. Wilsman's previous professional experience includes 17 years of knowledge and leadership experience working in resource acquisition for both healthcare and nonprofit education institutions. Her career has included working for the Binghamton University Foundation, Adelphi University, Belmont University, and Vanderbilt University Medical Center.

Ms. Wilsman holds a bachelor's degree and a master's degree in public administration from Binghamton University.

Melissa Bryant, Vice President for Student Development

Melissa (Missy) Bryant recently joined the University as its new Vice President for Student Development on March 3, 2025. With over 25 years of higher education experience and a passion for fostering student success, Ms. Bryant is poised to make a significant impact on the Eastern community.

Most recently, she served as Vice President for Student Affairs and Dean of Students at Ursinus College. During her tenure at Ursinus, she developed comprehensive strategies to enhance student success, built diverse and dynamic teams, and played a pivotal role in advancing the institution's strategic plan. Ms. Bryant's leadership style, characterized by openness, collaboration, and a holistic approach to student development, aligns closely with Eastern's mission of preparing graduates to impact the world through Faith, Reason, and Justice.

The role of Vice President for Student Development is vital to Eastern's vision and values, focusing on fostering an environment where students thrive academically, socially, and spiritually. Ms. Bryant's

leadership will ensure that students are supported, heard, and empowered throughout their time at Eastern, contributing to their personal and professional development.

Academic Accreditations

Institutional Accreditation

Eastern is an accredited institution and a member of the Middle States Commission on Higher Education (MSCHE), an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation. MSCHE's most recent action on the institution's accreditation status on June 22, 2023, was to reaffirm accreditation. The date of the next self-study for institutional accreditation is planned for 2030-2031.

Programmatic Accreditation

The University also maintains programmatic accreditation for specific programs from the following entities:

- Accreditation Council for Business Schools and Programs (ACBSP)
- American Society for Biochemistry and Molecular Biology (ASBMB)
- Association of Theological Schools in the U.S. and Canada
- Commission on Accreditation of Allied Health Education Programs
- Commission on Collegiate Nursing Education (CCNE)
- Council on Social Work Education (CSWE)
- Master's in Psychology and Counseling Accreditation Council
- National Association for the Education of Young Children (NAEYC)
- National Association of School Psychologists (NASP)

Academic Structure and Programming

Eastern students discover how to pursue faith, reason, and justice in over 160 programs offered by its colleges and seminary, including Associate, Bachelor's, Master's and Doctoral degree programs. The University is comprised of the following colleges:

- The College of Business and Leadership
- The College of Education and Behavioral Sciences
- The College of Arts and Humanities
- The College of Health and Science
- Esperanza College
- Palmer Theological Seminary and College
- Templeton Honors College

Academic programming within the University's colleges is a multifaceted combination of traditional, non-traditional, professional, graduate, and undergraduate opportunities. The many innovative academic and scholarly programs expand institutional diversity and broaden appeal.

The Templeton Honors College, initiated in Fall 1999, appeals to undergraduate students who excel academically, and embrace the rigors of an honors program.

Esperanza College is a joint-venture college with Esperanza Inc., a community development corporation in north Philadelphia. This college qualifies federally as a Hispanic Serving Institution (HSI) and offers both academic and professional associate degrees.

Palmer Theological Seminary, founded in 1925 as Eastern Baptist Theological Seminary, provides both graduate-level and non-degree theological training. The core academic component emphasizes a faith-based approach to all institutional courses and programming.

Below is a table of the academic programs that are currently offered by the University.

Undergraduate Programs (BA, BS, BSW, BSN)		
Accounting	Dance	Mathematics
Anthropology	Data Science	Ministry Leadership
Biblical Studies	Early Childhood Education Studies	Music
Biochemical Studies	Engineering (EU-Nova Fast Track)	Music Education
Biochemistry	English/Literature	Nursing
Biological Studies	English/Writing	Organizational Leadership
Biology	Environmental Science	Philosophy
Business Administration	Exercise Science	Political Science
Chemistry	Forensic Chemistry*	Professional Science*
Chemistry - Business	Global Studies and Service	Psychology
Communication Studies	Health & Physical Education	Social Work
Computer Science	Health Sciences	Sociology
Criminal Justice	History	Spanish
Cyber Defense and Information	Individualized Major	Special Education
Assurance*	Marketing	Theological Studies & Ethics
		Undecided Major

*4+1 Track with Temple University

Graduate Programs (MA, MBA, MDiv, MEd, MS, MTS)		Doctorate Programs (DA, PhD, DMin)
Clinical Counseling	Organizational Management	Organizational Leadership
Curriculum & Instruction	Reading	Marriage and Family Therapy
Data Analytics	School Counseling	Contextual Leadership
Data Science	School Health/Nurse	Professional Practice
Divinity	School Psychology	
Educational Leadership	Social Work	
Estudios Teologicos en Linea	Special Education	
Master of Practical Theology	TESOL	
MBA/MS in Data Science Dual Degree	Theological and Cultural Anthropology	
Multicultural Education	Theological Studies	
Nursing	Theology, Bible & Ministry	

LifeFlex™ Program

In recent years, the University introduced its “LifeFlex” program, which offers 100% online programs through which students may earn an associate or bachelor’s degree. The LifeFlex program offers seven-week terms, during which students can determine how many courses to take, when to access course videos, and enjoy greater flexibility to complete assignments. Further, the LifeFlex program is more affordable than most traditional programs, in that new students will pay only \$9,900 - \$29,900 out of pocket for a full 120-credit bachelor’s degree (which typically takes 4 years), which Eastern makes possible through grants and public sources. At the end of 2023, Eastern launched several new LifeFlex programs, including a MS in Data Analytics and a MA in Marriage and Family Therapy. Additional LifeFlex programs are launching each year with the latest being an MS in Applied Artificial Intelligence in the Fall 2026.

Articulation Agreements

Eastern has articulation agreements with the following institutions:

- Bucks County Community College (September 1, 2017)
- Chester County Intermediate Unit (March 28, 2022)
- Community College of Philadelphia (February 4, 2015)
- Delaware County Community College (July 30, 2007)
- Delaware County Intermediate Unit (March 28, 2022)
- Harrisburg Area Community College (May 28, 2015)
- Harcum College (December 7, 2007)
- Lancaster County Career and Technology Center (June 14, 2021)
- LaSalle University (May 31, 2017)
- Montgomery County Community College (June 8, 2005)
- Northampton Community College (December 11, 2019)
- The Pennsylvania Institute of Technology (December 11, 2024)
- Reading Area Community College (February 4, 2000)
- University of Valley Forge (May 25, 2021)
- Villanova University (July 13, 2009)
- Western Montgomery Career and Technology Center (February 11, 2022)

Faculty and Staff

For the 2024-25 academic year, the University employed 117 full-time teaching faculty members; 23% of which are tenured. The University's full-time faculty was augmented by a part-time faculty of 321 members for the Fall 2024 semester. The full-time equivalent student/faculty ratio was 21 to 1. Given the University’s recent growth, its faculty and staff have also grown as follows:

Faculty and Staff Profile						
Fall	Full-Time Faculty	% Tenured	% with Terminal Degree	Part-Time Faculty	Staff	Total Employees
2020	100	37	78	351	284	735
2021	107	28	75	370	300	777
2022	107	28	75	359	328	794
2023	110	27	62	282	358	750
2024	117	23	N/A	321	386	824

Source: Eastern University Human Resources

The University does not maintain collective bargaining agreements with any employee groups and enjoys good relations with both faculty and staff.

Enrollment Initiatives and Strategy

The University has experienced strong enrollment growth, in part due to its significant and ongoing investment in marketing and advertising:

- **Advertising Spend Increase:** Between fiscal year 2023 and fiscal year 2024, the University increased its advertising spend by \$1.2 million, from \$3.5 million to \$4.7 million. Advertising spend was budgeted at nearly \$7 million in fiscal year 2025.
- **Digital Ads Tracking:** Within its digital advertising platforms, the University can also see the immediate effects of its spend increases through sophisticated tracking technology. Each time the University has increased its budget, the platforms have shown significant month-over-month increases in the number of students clicking on its ads and then applying.
- **Broaden Geographical Footprint:** In 2025, Eastern ads will appear in the following cities (billboards or transit ads): Philadelphia area, South Jersey, North Jersey into New York City, Delaware, Harrisburg, Pittsburgh, Chicago, and Atlanta.
- **Centennial Advertising:** Eastern produced a wide variety of celebratory centennial marketing and communications materials, including a Centennial Magazine, campus-wide signage, videos, social media posts, logos, flyers, and more as the University celebrated this historic milestone in 2025.

However, the University has not just relied on advertising to fuel its enrollment growth. In the past few years, initiatives undertaken by the University include the following:

- The University has added new NCAA DIII athletic teams, including a football program (fall 2022), which carries a roster of approximately 140 student athletes. The University plans to add men and women's wrestling with the intention of competing in the NCAA in both sports in 2026-27. The University has also expanded the rosters of its existing athletic teams.
- The University agreed to be a teach out institution for Cabrini University, which ceased operations in June 2024. Eastern welcomed 30 Cabrini students after the Cabrini announcement in 2023 and an additional 90 students after Cabrini's closure in 2024.
- Since the 2020 pandemic, Eastern has maintained a policy of being Test Blind or Test Optional.
- The University also developed its online, LifeFlex program to appeal to more nontraditional students. Eastern continues to add academic programs to LifeFlex, with the latest being a MS in Applied Artificial Intelligence, which is planned to launch in the Fall 2026.

- Continued strategic investments in residence halls and campus facilities to increase retention and overall student learning and campus experience.
- Continuous improvements throughout the University in terms of quality, convenience, and affordability.

Headcount Enrollment

The University's efforts and initiatives have proven successful. The Fall semesters following the investment in marketing and advertising showed total University enrollment increase by 25% (1,746 students), from 6,981 total enrolled students in Fall 2023 to 8,727 total enrolled students in Fall 2024. Enrollment in the Spring 2025 is also stronger than the prior year, with FTE undergraduate and graduate enrollment increasing by 22.5% and 19.8% year over year, respectively. Due to the addition of these many new innovative programs as well as Eastern's increased investment in marketing, the student body has nearly tripled since the pre-pandemic enrollment of 3,100 in Fall 2019. Based on current applications received, the University anticipates a 24% increase in graduate and online enrollment, a 1.5% increase in traditional undergraduate enrollment in fall 2025 and a 20.3% increase in summer 2025 enrollment for graduate and online students.

The following table summarizes the number of students by recruitment sector for the past five academic years:

	Fall Semester Enrollment (Headcount)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Traditional Undergraduate					
Full-Time	1,065	1,026	1,097	1,209	1,337
Part-Time	35	26	23	22	29
Total	1,100	1,052	1,120	1,231	1,366
Non-Traditional Undergraduate and Graduate					
Full-Time	535	802	1,078	1,297	1,764
Part-Time	1,325	2,193	3,108	4,023	5,112
Total	1,860	2,995	4,186	5,320	6,876
Esperanza College					
Full-Time	123	103	95	102	161
Part-Time	59	57	155	118	120
Total	182	160	250	220	281
Palmer Theological Seminary					
Full-Time	64	53	40	52	45
Part-Time	298	169	173	158	159
Total	362	222	213	210	204
Total Enrolled					
Full-Time	1,787	1,984	2,310	2,660	3,307
Part-Time	1,717	2,445	3,459	4,321	5,420
Total Headcount	3,504	4,429	5,769	6,981	8,727 ²

² Overall enrollment in Flex programs totaled 5,159

	Fall Semester Enrollment (Full Time Equivalent)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Traditional Undergraduate	1,077	1,035	1,105	1,216	1,347
Non-Traditional Undergraduate and Graduate	1,157	1,849	2,630	3,291	4,358
Esperanza College	143	122	147	141	201
Palmer Theological Seminary	167	152	143	145	144
Total FTE	2,544	3,158	4,025	4,793	6,050

Approximately 20% of undergraduates and 93% of graduates were enrolled exclusively in distance education courses in Fall 2024.

Admission Statistics

Given strong student demand, Eastern has been able to increase the size of its incoming freshman class and also improve its selectivity rate, while maintaining a matriculation rate that is better than many of its regional competitors. The numbers in the table below include all Eastern undergraduate students - Traditional Undergraduate, Online Undergraduate, Esperanza and ESCM.

	First-Time-In-College Admissions Statistics				
	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
Applications	1,423	1,420	1,952	2,852	3,108
Acceptances	1,320	1,285	1,886	2,670	2,821
Selectivity Rate	92.8%	90.5%	96.6%	93.6%	90.8%
Enrolled	372	339	463	503	591
Matriculation Rate	28.2%	26.4%	24.5%	18.8%	21.0%

Likewise, transfers continue to grow, in part due to the aforementioned closure of Cabrini University:

	Transfer Student Admissions Statistics				
	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
Applications	396	432	383	620	938
Acceptances	366	402	368	588	875
Selectivity Rate	92.4%	93.1%	96.1%	94.8%	93.3%
Enrolled	194	223	196	369	539
Matriculation Rate	53.0%	55.5%	53.3%	62.8%	61.6%

Fall 2025 Enrollment Outlook

Total applications for the Fall 2025 semester are currently up 9% over this point last year. Applications for the Summer 2025 semester are currently up 20% over last year. Fall applications will continue to climb as the Summer terms pass and because Eastern enrolls students up to the start of the semester.

Student Population Geographic Diversity

As a regional institution, Eastern attracts most of its students from within Pennsylvania. However, the University also attracts students from other states and countries:

Undergraduate Student Population		
Home Residence	Students	Percent
PA	1,818	73.0%
NJ	260	10.0%
MD	88	3.5%
DE	52	2.1%
NY	42	1.7%
FL	41	1.6%
CA	21	0.8%
VA	18	0.7%
GA	15	0.6%
CO	12	0.5%
TX	12	0.5%
IL	10	0.4%
NC	9	0.4%
Other	102	4.1%
Total	2,500	99.9%

Student Retention and Graduation Rates

While the University has enjoyed solid growth during the past few years, the University has experienced a decline in its retention rate during the same period. To improve retention, the University has been making significant investments in its campus facilities and services, including upgrades to student residence halls and athletic facilities, as well as other deferred maintenance and aesthetics, all to improve the campus and student learning experience. The University has also increased investments in campus safety and security. Additionally, the University's athletic strategy has been recognizing that athletes retain better the non-athletes. Significant investments have been made in the Academic Resource Center and athletic academic support:

Undergraduate Freshman-to-Sophomore Retention Rates					
Cohort Year	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Retention Rate (First time, full time freshman)	82%	74%	74%	71%	65%

Despite the decline in retention, the University's 6-year graduation rate has fluctuated very little over the same period:

Cohort Year	Graduation Rates			
	Fall 2015	Fall 2016	Fall 2017	Fall 2018
4 Years or Less	50%	56%	51%	50%
5 Year or Less	60%	62%	57%	58%
Cumulative in 6 Years	62%	63%	57%	60%

Student Activities

Athletic programs

Eastern University Athletics aims to provide student-athletes with opportunities for competition and development in multiple sports. Eastern understands athletic competition within the context of the development of the whole person. This perspective does not diminish the significance of athletic achievement, but rather frames it within the educational process.

The coaches and administrators in the department value the academic process and believe that the pursuit of excellence in the field of competition supports that same endeavor in all aspects of life. The focus, teamwork, and discipline required to accomplish great things on the field or in the gym are the same character traits that will enable Eastern student-athletes to become leaders in their communities, churches, families, and workplaces.

The University student-athletes perform in the classroom. As a group, they average over a 3.0 GPA and many teams have over a 3.2 GPA. Student-athletes routinely earn recognition from the Middle Atlantic Conference and other organizations for performance in the classroom and on the field. Eastern student-athletes graduate and go on to opportunities in the workforce and graduate schools.

Eastern coaches aim to support the spiritual formation and community awareness of their student athletes. Eastern coaches are committed to the Christian mission of the University. Throughout the academic year, student-athletes work with various community groups as with their teams and as part of Eastern's Student Athlete Advisory Council. Several Eastern teams include service projects into team travel experiences.

The Eastern Eagles compete in NCAA Division III sports in the Middle Atlantic Conference (MAC). Over the years, a total of 24 teams have been added, with unprecedented growth happening over the past 10 years. The addition of Track and Field, Esports, Cheer and Dance, Marching Band, Men's Volleyball, and Football programs during that time has helped the department grow from around 260 athletes in 2014-15 to nearly 700 athletes this Centennial year. Since joining the Middle Atlantic Conference in 2008, the Eagles have won 41 Conference Championships and had over 35 All-Americans.

Other Clubs and Organizations

Eastern offers its students numerous programs and activities that enrich and enhance college life. Students are encouraged to join clubs and organizations that are of interest to them; whether it be based on academic interest, multicultural, faith and spirituality, student body advocates, honor societies, media and

publications, arts and performance, service and justice, and sports and recreation, there is a club for everyone.

The Student Government Association (“SGA”) gives students the opportunity to be more involved in policy making, procedural structure and decision making. Members of SGA give students a voice on committees around campus as well as voicing the concerns of fellow classmates on campus.

Additionally, the Student Activities Board creates, organizes and implements a variety of co-curricular activities and events in an effort to provide social, recreational, spiritual, cultural, and developmental programs in college life for the University student body.

Tuition and Fees

The University meets the cost of its operations primarily through tuition, fees, room and board charges, sales and services of auxiliary enterprises, gifts, grants, and endowment income. Approximately 73% of the University’s unrestricted revenue for the fiscal year ended June 30, 2024 was generated through net tuition and fees. The University had limited annual increases to undergraduate tuition and fees to 3% or less through from the 2021-22 academic year through the 2024-25 academic year. The following table shows annual full-time student tuition and fees data for the 2025-26 academic year and the prior four academic years for the University’s undergraduate programs:

	Undergraduate Tuition and Fees				
	2021-22	2022-23	2023-24	2024-25	2025-26
Tuition	\$34,990	\$35,865	\$36,760	\$37,680	\$39,188
Fees	\$600	\$600	\$660	\$720	\$720
% Increase	2.55%	2.46%	2.62%	2.62%	3.93%
Tuition Discount (%)	61.19%	60.21%	60.55%	61.28%	N/A

Competing Institutions

Many of the University’s qualified applicants also apply to other private and public colleges and universities. The following table shows the 2023-24 academic year tuition and fees charges for the University’s peer institutions. Eastern’s total costs are lower than many of the private institution competitors, including a few which have implemented tuition reset strategies:

2023-24 Tuition, Fees, Room & Board Comparison				
School	Room and Board (\$)	Tuition and Fees (\$)	Total Costs (\$)	Undergraduate Enrollment Fall 2023
Albright College	13,954	28,794	42,748	1,328
Chestnut Hill College	12,300	39,410	51,710	972
Commonwealth University of Pennsylvania	11,106	11,046	22,152	9,967
Duquesne University	15,620	47,146	62,766	5,226
Eastern University	13,168	37,420	50,588	2,068
Elizabethtown College	12,954	36,842	49,796	1,857

George Mason University	15,151	13,815	28,966	27,666
Gwynedd Mercy University	14,142	38,310	52,452	1,457
Immaculata University	12,870	28,550	41,420	1,529
Indiana University of Pennsylvania-Main Campus	12,802	11,380	24,182	7,432
McDaniel College	12,594	49,647	62,241	1,665
Messiah University	11,910	40,640	52,550	2,586
Millersville University of Pennsylvania	12,600	12,262	24,862	5,724
Misericordia University	15,426	38,370	53,796	1,670
Pennsylvania State University-Main Campus	13,030	20,234	33,264	42,223
Saint Joseph's University	15,740	51,340	67,080	4,828
Shippensburg University of Pennsylvania	12,952	13,544	26,496	4,421
Temple University	16,968	22,082	39,050	21,720
Virginia Commonwealth University	16,119	16,458	32,577	21,205
York College of Pennsylvania	12,780	24,606	37,386	3,308

Financial Aid

Financial assistance is designed to supplement the contribution that a student and family can provide toward the payment of tuition and other educational expenses. Sources of aid include institutionally funded grants, federal grants and guaranteed loans, scholarships, and funding from private sources. The following table presents the primary sources of financial aid during the fiscal years shown:

Financial Assistance Provided for the Students

Fiscal Years Ended June 30,	2020	2021	2022	2023	2024
Pell Grants	\$3,375,440	\$3,195,872	\$2,729,277	\$3,283,077	\$4,929,248
Federal Supplemental Education Opportunity Grant	213,300	310,500	195,900	233,430	305,294
Federal Work-Study Program	301,105	174,766	285,866	234,410	243,890
Federal Grants, other	1,230,483	1,236,753	3,140,049	63,848	39,754
Institutional and Other Funding	30,651,914	30,760,186	31,286,429	34,472,872	38,835,387
Loan Programs:					
Stafford/Direct Loan Programs	21,865,481	22,184,553	25,586,124	31,671,029	39,703,574
Total	\$57,637,723	\$57,862,630	\$63,223,645	\$69,958,666	\$84,057,147

Note: Federal grants, other includes HEERF/CARES Act funds in FY 2020-2023. Institutional and other funding includes Pennsylvania state grants.

Facilities and Housing

The University's main campus in St. Davids, Radnor Township, Delaware County, Pennsylvania is situated on nearly 94 acres. Approximately 50% of the terrain has remained in its natural state, while the remaining acreage is continually groomed. Small lakes and streams, complete with diverse flora and fauna, provide a picturesque environment ideal for scholarship, recreation, and community enjoyment. Additionally, the University is located within 30 minutes of downtown Philadelphia, Pennsylvania and within easy driving distance of New York City, Baltimore, Maryland and Washington, D.C.

Below is the University's campus map:

EASTERN UNIVERSITY ST. DAVIDS CAMPUS MAP

1300 Eagle Road, St. Davids, PA 19087



Of the University's 22 buildings on the St. Davids campus, the primary academic facility is the **McInnis Learning Center**. It contains smart classrooms and offices for faculty and administrators and a 300-seat auditorium. Other features include: the Biology Science Center, the kinesiology laboratory, the Curriculum Laboratory for training future teachers, the Planetarium, the Instructional Technology Support Center, a computer resource center for faculty and a student computer center. The building also houses the University's Bradstreet Observatory that was constructed during the summer of 1996. In August 2018, the Nursing Clinical Resource and Stimulation Center was completed.



Warner Memorial Library houses over 187,000 physical volumes, including a collection of 12,500 DVDs and audio recordings. Warner Memorial Library is also a member of the Pennsylvania Academic Library Consortium, Inc. (PALCI) which offers more than 36 million books from 77 academic institutions.

On August 7, 2005, the **Harold C. Howard Center**, a 20,800 square foot addition to the library was completed which doubled the building's physical size, adding shelf space, study rooms, study tables, compact shelving, a media room and a net increase of 3 classrooms and a seminar room.

Andrews Hall houses facilities for the Departments of Business, Chemistry, and Communication Studies.

In addition to faculty offices on three floors, two classrooms, reception and kitchen areas, the scientific facilities include two teaching laboratories, an experimental research lab, chemical prep and storage rooms, and two temperature-controlled instrumentation rooms.

Templeton Hall (formerly Workman Hall) is currently under construction with the addition of a state-of-the-art recital hall and will be the new home of the Templeton Honors College.



The **University Gymnasium** provides space for intercollegiate and intramural sports, aerobics, and weight training. In February 2016, the University converted its existing recreational gymnasium into a new, state-of-the-art Fitness Center. In 2023-24, a renovation of the existing administrative space and trainer's area was completed in addition to two new locker rooms for both men's and women's sports.

Walton Hall, a 40-room estate manor house, serves as the University's student center. It accommodates the student dining commons, a coffee shop, the campus mailroom, and a small chapel. In addition, the building



houses the Student Development Office, Student Government Association Office, Center for Christian Faith and Practice, writing center, career counseling center, conference rooms, lounge areas, and other administrative offices.

Fowler Hall (formerly Heritage House), a 17,847 square-foot Tudor manor house with six acres of beautifully landscaped grounds, houses the University's music department.



Centennial Hall (formerly Eagle Learning Center), a 30,000 square foot office and classroom facility which opened in late December 2007, serves as the Welcome Center to the University and houses various graduate and professional studies programs, as well as offices for Enrollment Management and Marketing.

Ott Hall was renovated in 2024 and now serves as the administrative center for the President of the University and fellow cabinet members.

The University has a number of residential halls that accommodate approximately 1,000 students each year. Rooms are occupied by 1-3 students either in a basic double room, semi-private, suite, single, or apartment layout. Men and women are housed on separate floors or in separate sections of a residence hall. Starting in 2023, upgrades to all residence halls took place which included general maintenance and repairs,

new flooring and paint throughout the halls, delivery of new furniture and installation of a new card access system. Residential students have access to a variety of meal plans in the University's Food Service operations. Residential halls at Eastern include:

- Doane Hall – Doane is a coed facility with four lounge areas, laundry facilities, and a homey environment.
- Hainer Hall – Built originally in 1959 and expanded in 1999, Hainer houses both men and women. The hall includes a large laundry facility and lounge in the basement.
- Kea/Guffin Hall – Kea Hall (built in 1965) and Guffin Hall (built in 1940 and extended in 1962) are conjoined. The rooms enjoy large closets and drawer spaces, and a community-inviting lounge area. The Breezeway Café is located here, providing late night food and beverage options for all residential students. In 2017, improvements were made to the common spaces including the front lobby, hallways, lounge spaces, and game room.
- Gallup Center – Gallup Center includes Gallup and Clemens for women; Kresge House for men; and the Alumni House for men and women. There are 5 student apartments in Gallup with the remainder accommodations being suites that share bathrooms with one or two rooms. These four buildings share a lounge.
- Gough Hall – Gough has a combination of suites and “long hall” traditional style floors. Constructed in 1997, Gough includes a large laundry facility, mail room, kitchen, lounges and golf room.
- Sparrowk Hall – Opened in January 2001, Sparrowk offers a mixture of suites and traditional floors as well as full size double and triple occupancy rooms. The residence hall also boasts a seminar room, a large laundry facility, mailroom, and spacious lounges.
- Eagle Hall – Eagle Hall was opened in the Fall of 2007 and includes variations of suites and traditional floors. The suites include common rooms. Eagle Hall is equipped with laundry facilities, mailroom, recreational and study lounges.

The following table reflects the student housing capacity and occupancy for fall 2020 to fall 2024:

	Historical Occupancy				
	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
Total Beds	974	954	981	1,066	1,074
Occupied	817	811	910	939	1,005
Occupancy	83.9%	85.0%	92.8%	93.3%	93.9%

Source: Eastern University Residence Life.

Ground Lease Agreement

In June 2000, the University (as lessor) entered into a ground lease agreement with Collegiate Housing Foundation, an Alabama nonprofit corporation (as lessee), with respect to the construction of the 180-bed Sparrowk Hall student residence facility. Collegiate Housing Foundation owns the facility and financed its construction with bonds issued by the Delaware County Authority. The University manages and operates the facility without compensation under a separate management agreement with the Foundation, but the University is not liable or responsible to make any payments with respect to the bonds issued to finance the facility. Under certain circumstances, the University is entitled to receive annual rent

under the ground lease equivalent to the sum of the gross cash revenue received from the operation of the facility plus interest earnings received less annual operating and debt service costs. For its fiscal year ended June 30, 2024, the University received a ground lease payment of \$527,832. The ground lease is scheduled to expire in March, 2030 at which time the University will become the owner of the facility.

Campus Master Plan and Planned Renovations / Capital Plans

In 2014, a cross functional task force of faculty, staff, student and administrators worked with architectural consultants in assessing the University's facilities needs on the St. Davids campus in the context of the strategic plan and University's curricular and enrollment objectives. The result of this labor is a Campus Master Plan that was unanimously approved by the Board in the fall of 2014. Periodically, the University commissions updates to its master plan, the last of which was approved by the Board in 2022.

Recent capital improvements at the main campus have been significant totaling approximately \$13.7 million and include the following projects which have all been paid for with cash and reserves:

• Centennial Hall Phase 1:	\$771,657
• Ott Hall Renovation:	\$2,053,648
• Fowler Hall Renovation:	\$112,050
• VFMA Bleachers / Press Box:	\$3,066,472
• Thomas Dr Bridge Improvements:	\$189,689
• Vehicular Bridge:	\$1,635,262
• Residence Hall Improvements:	\$782,267
• Residence Hall Furniture:	\$587,160
• KOP / Eagle Road Intersection:	\$170,528
• Dance Studio:	\$484,946
• Acquisition of Fenimore Property**:	\$3,500,000
• Other Capital Improvements:	\$393,527

** To be reimbursed via the Series 2025A Bond Proceeds

The Project being funded by the 2025A Bonds consists of refunding existing debt, as well as reimbursing the University for the purchase of an adjacent residential property located at 8 Fenimore Lane, in the amount of \$3.5 million which was purchased in February 2024. The University also plans to issue the Series 2025B Bonds with the proceeds going toward the renovation and addition to its existing athletic facility and potentially an addition to Centennial Hall, which houses the University's Welcome Center and admissions department.

The University is in the process of making certain capital improvements, which include renovations to Templeton Hall (estimated \$4.2 million), improvements to the baseball field (\$3.2 million) and repairs to a vehicular bridge (\$480,000).

Enterprise Risk Management

The University's Enterprise Risk Management (ERM) process addresses the following essential components: internal environment; objective setting; event identification; risk assessment; risk response; control activities; information and communication and monitoring. The ERM objectives focus on empowering decision-makers, mitigating and monitoring risks, ensuring a consistent risk management approach is tied to strategic planning, and fostering an environment of transparent communication. The overall goal is to support informed decision-making and effective resource allocation at both operational and strategic levels.

The governance structure includes the Board of Trustees (Audit Committee), the President, the University Policy and Compliance Committee (UPCC) , and designated risk owners—typically supervisors responsible for various university functions. Employees also play a role in managing risks within their areas and reporting potential risks.

The UPCC is central to the University’s ERM. The Committee has five major objectives:

1. To oversee university-wide policies by acting on new proposals and modifying existing policies to adapt to changes and promote desirable institutional outcomes.
2. To effectively monitor legal, financial, and regulatory compliance within the University.
3. To work with the managers of all departments and facets of the University to identify compliance risks and see that all risks are minimized.
4. To make the importance of compliance known throughout the University.
5. To monitor current compliance trends within the corporate, government, and higher education settings, and implement those trends at the University when and as appropriate.

The UPCC members consist of the University’s Provost, the Vice President for Enrollment Management, the Vice President for Finance and Operations, the Vice President for Institutional Planning, Research and Assessment, the Vice President for Student Development and the Executive Director of Athletics.

Management Discussion and Analysis

The University continues to benefit from significant enrollment growth which has led to favorable year-end surpluses. At the same time, the University has recognized great progress with its current \$30 million capital campaign. These sustained strengths have provided the University with the opportunity to reinvest in its campus infrastructure and enhance the student experience. The current Strategic Plan and enrollment strategy implemented in Fall 2022 is progressing as the University is seeing signs of positive trends in all areas of enrollment. From Fall 2020 through Fall 2024, the University has seen its total headcount go from 3,504 to 8,727, and its FTE go from 2,543 to 6,050. With the continued success of the enrollment strategy combined with strategic operational decisions, the University is positioning itself for balanced and sustained operating results well into the future.

The University’s financial strength reflects a balance sheet with Total Net Assets of \$89.6 million in fiscal year 2024. The University’s endowment continues to reflect steady growth as the only draws against the fund have been for endowed scholarships. During the period ending June 30, 2024, the University’s endowment and funds held in trust have grown to over \$34 million. The Board’s targeted spending rate on average is 4.5%, and it is expected to remain at that rate going forward.

In fiscal year 2024, the University experienced a net gain from unrestricted operations in the amount of \$2.7 million as the University continued to experience significant enrollment growth across the majority of its academic programs both undergraduate and graduate. In Fall 2023, the University experienced the largest enrollment in its 99-year history, and then in Fall 2024 it exceeded that total by another 1,746 students making its largest enrollment ever.

The fiscal year 2025 operating revenues were budgeted at \$83.7 million with expenditures budgeted at that same amount. The overall budget was built with a \$1 million margin and through eight months of fiscal year 2025, the University is projecting a net gain from unrestricted operations between \$8-\$12 million. Total headcount as of Spring 2025 is up 22% year over year and total FTE is up 21%. Undergraduate headcount is up 23%, and traditional undergraduate enrollment grew by 11%. Gifts and

Grants for fiscal year 2025 are trending to exceed budget projections by nearly \$700,000. The University has implemented various initiatives in a deliberate effort and strategy to achieve this growth, specifically by providing its trademarked LifeFlex programs at the graduate level and now at the undergraduate level. Additionally, the University has expanded its NCAA DIII athletic programs and roster sizes, such as football, women's flag football, and men's and women's wrestling. The University has continued to invest in marketing which has had a positive impact on recruiting which has resulted in an increase in its total net tuition revenue.

The University's current plan of finance is to use the Series 2025A Bonds to restructure its existing debt and take advantage of the savings relating to the Series 2012 bonds and reimburse itself for the purchase of property in the amount of \$3.5 million. On or prior to the closing of the Series 2025A Bonds, the University will also pay off its Series 2013 bonds, which were scheduled to fully amortized by October 1, 2025. Later in the 2025 calendar year, the University also plans to issue the Series 2025B Bonds with the proceeds going toward the renovation and addition to its existing athletic facility and potentially an addition to Centennial Hall, which houses the University's Welcome Center and admissions department. Both of these projects are part of the University's Strategic Plan and are major initiatives for growing its enrollment to greater heights.

The long-range budget projections reflect the University's ability to accommodate the existing and new debt service while at the same time building significant operating margins to increase its current cash reserve amounts. The University will continue offering its LifeFlex program graduate level and is already providing this same mode at the undergraduate level. This is in addition to adding new academic programs that are both relevant and affordable to the demand and demographic profile of our students.

Fundraising remains a strength for the University. The current capital campaign is running concurrent with the University's Strategic Plan, and numerous donor opportunities are presently being formed as illustrated by the most recent giving report which reflected a total just over \$7 million in 2024 alone. The University is in the silent phase of the \$22 million capital campaign specific to the renovation and addition of its athletic facility.

Below is the University's budget for FY 2025, forecast for FY 2025 (as of March 2025), and forecast for FY 2026:

EASTERN UNIVERSITY			
OPERATING BUDGET FORECAST			
FY25-FY26			
	FY25	FY25	FY26
	<u>APPROVED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
	<u>BUDGET</u>	<u>ACTUALS</u>	<u>BUDGET</u>
<u>Revenues</u>			
Tuition and Fees	\$ 103,663,956	\$ 111,000,000	\$ 114,330,000
Less: Scholarships, Grants and Allowances	(36,822,007)	(36,000,000)	(37,080,000)
Tuition and Fees, Net	\$ 66,841,949	\$ 75,000,000	\$ 77,250,000
Auxiliaries	\$ 12,576,565	\$ 12,500,000	\$ 12,875,000
Grants and Contracts	\$ 1,314,326	\$ 2,000,000	\$ 2,060,000
Gifts and Contributions	\$ 933,237	\$ 1,000,000	\$ 1,010,000
Investment Income	\$ 275,000	\$ 250,000	\$ 252,500
Endowment Transfer	\$ 1,480,900	\$ 1,480,900	\$ 1,480,900
Other Revenue	\$ 253,023	\$ 300,000	\$ 306,000
Total Revenues	\$ 83,675,000	\$ 92,530,900	\$ 95,234,400
<u>Expenditures</u>			
Salaries - Fulltime	\$ 32,190,453	\$ 31,000,000	\$ 32,240,000
Salaries - Adjunct and Temporary	\$ 5,620,217	\$ 6,000,000	\$ 6,060,000
Employee Benefits	\$ 9,479,117	\$ 10,000,000	\$ 10,500,000
Professional Services	\$ 10,889,131	\$ 11,500,000	\$ 11,615,000
Facilities and Maintenance	\$ 5,779,060	\$ 5,500,000	\$ 5,555,000
* Debt Service	\$ 2,900,000	\$ 2,894,303	\$ 3,100,000
Supplies	\$ 2,141,357	\$ 2,400,000	\$ 2,448,000
Insurance and Financing	\$ 1,161,050	\$ 2,100,000	\$ 2,142,000
Travel, Training and Food	\$ 1,432,459	\$ 1,200,000	\$ 1,224,000
Recruiting and Promotion	\$ 7,617,481	\$ 7,500,000	\$ 7,875,000
Communications	\$ 590,705	\$ 550,000	\$ 561,000
Furniture, Fixtures, and Equipment	\$ 1,993,015	\$ 2,000,000	\$ 2,000,000
Library Acquisitions	\$ 572,850	\$ 570,000	\$ 581,400
Dues, Fees, and Subscriptions	\$ 410,146	\$ 400,000	\$ 408,000
Transfers To/(From) Other Funds	\$ 897,959	\$ 625,000	\$ 2,700,000
	\$ -		
Total Expenditures	\$ 83,675,000	\$ 84,239,303	\$ 89,009,400
Increase/(Decrease) in Net Assets	\$ 0	\$ 8,291,597	\$ 6,225,000

As reflected in the table above, the University is forecasting another significant increase in net assets in FY 2025, primarily driven by enrollment growth that exceeds budgeted levels. The University's forecast for FY 2026 are based on more modest enrollment and expense growth, as well as ongoing but more modest surpluses.

Historical Operating Results

The following tables set forth a Statement of Financial Position and a Statement of Activities for the years ended June 30, 2020, through 2024. The financial information below has been derived from the

audited financial statements of the University and should be read in conjunction with those financial statements, including the notes thereto, which are included as Appendix B to the Official Statement.

Historical Balance Sheet

Fiscal Years Ended June 30,	2020	2021	2022	2023	2024
Assets:					
Cash and cash equivalents	\$9,561,837	\$15,180,343	\$18,353,280	\$15,575,288	\$16,821,255
Student receivables, net	4,893,803	5,254,918	4,229,029	8,752,455	6,203,167
Student loans receivable, net	498,015	325,653	231,274	22,185	-
Other federal funds receivable	664,709	1,494,856	785,592	3,639,918	1,135,147
Contributions receivable, net	58,500	115,746	30,750	165,000	85,230
Prepaid expenses and other assets	1,544,337	1,272,584	2,119,447	1,841,257	4,807,762
Due from CHF - St. Davids, LLC	556,905	427,681	346,041	426,277	777,659
Assets held for sale	8,353,964	7,237,500	-	-	-
Operating lease - right-of-use assets	-	2,689,994	2,304,779	1,253,480	552,247
Financing lease - right-of-use assets	-	182,473	229,131	461,939	284,688
Fair value of interest rate swap	-	-	329,533	728,225	797,864
Investments	28,619,186	33,142,541	28,140,876	29,328,888	32,913,850
Restricted cash	349,957	805,059	7,213,531	8,319,651	4,534,503
Property and equipment, net	41,514,674	40,588,740	39,767,264	40,880,360	51,883,305
Beneficial interest in remainder trusts	126,039	155,841	122,287	127,288	-
Beneficial interest in perpetual trusts	994,364	1,194,339	993,965	719,634	788,147
Total Assets:	\$97,736,290	\$110,068,268	\$105,196,779	\$112,241,845	\$121,584,824
Liabilities:					
Accounts payable, accrued expenses and other	2,014,439	1,998,937	2,458,690	2,031,145	5,052,140
Accrued payroll	2,094,696	1,357,914	1,569,545	1,340,872	1,615,978
Deferred income	3,923,581	4,892,775	1,594,114	1,309,095	914,105
Student deposits	993,831	\$442,761	1,202,973	663,682	536,417
Accrued interest	325,996	312,193	182,900	201,299	159,916
Operating lease liabilities	-	3,041,624	2,624,270	1,438,612	669,390
Financing lease liabilities	-	186,068	233,916	471,436	296,184
Annuities payable	872,062	703,784	679,159	613,316	584,254
Advances from federal govt for student loans	291,964	188,906	89,107	12,214	-
Bonds payable, net	28,797,886	27,230,796	25,741,742	23,961,186	22,141,390
Total Liabilities:	\$39,314,455	\$40,355,758	\$36,376,416	\$32,042,857	\$31,969,774
Net Assets:					
Unrestricted	30,024,101	36,185,063	38,848,958	48,143,651	50,820,485
Temporarily Restricted	5,930,738	10,913,846	7,124,002	8,824,655	15,289,740
Permanently Restricted	22,466,996	22,613,601	22,847,403	23,230,682	23,504,825
Total Net Assets	\$58,421,835	\$69,712,510	\$68,820,363	\$80,198,988	\$89,615,050
Total Liabilities and Net Assets	\$97,736,290	\$110,068,268	\$105,196,779	\$112,241,845	\$121,584,824

Historical Statement of Operations

Fiscal Years Ended June 30,	2020	2021	2022	2023	2024
Revenue, Support and Reclassifications:					
Tuitions and fees, net	\$35,416,751	\$40,088,885	\$44,679,623	\$57,828,061	\$59,594,793
Investment income, net	258,350	6,305,044	(3,844,195)	2,894,762	4,173,139
Contributions	2,950,775	2,421,563	2,253,565	2,961,922	2,673,474
Grants	3,911,379	9,217,047	7,028,946	2,485,518	9,245,962
Other sources	1,122,326	770,760	667,686	915,338	1,185,078
Auxiliary enterprises, net	7,772,558	7,306,326	8,721,345	10,017,329	11,172,249
Change in value of interest rate swap	-	-	329,533	398,692	69,639
Loss on impairment of assets held for sale	(750,000)	(1,116,464)	-	-	-
Total Revenues:	\$50,682,139	\$64,993,161	\$59,836,503	\$77,501,622	\$88,114,334
Operating Expenses					
Instructional	\$20,444,553	\$19,524,719	\$20,851,319	\$22,218,773	\$26,828,050
Academic support	3,991,846	4,181,262	4,496,583	4,961,017	5,767,000
Student services	12,757,671	14,707,230	19,393,250	18,431,334	22,904,692
Auxiliary enterprises	4,914,811	5,142,029	6,019,349	7,757,372	8,925,142
Institutional support	8,314,882	8,416,332	8,149,702	10,920,242	11,969,461
Fundraising	1,560,628	1,730,914	1,818,447	1,834,259	2,303,927
Total Expenses:	\$51,984,391	\$53,702,486	\$60,728,650	\$66,122,997	\$78,698,272
Change in Net Assets	(1,302,252)	11,290,675	(892,147)	11,378,625	9,416,062
Net assets, Beginning of Year	59,724,087	58,421,835	69,712,510	68,820,363	80,198,988
Net Assets, End of Year	58,421,835	69,712,510	68,820,363	80,198,988	89,615,050

Fundraising and Grants

The University's Advancement staff currently consists of fourteen full-time professionals and three full-time support members. The department uses a working strategic plan which focuses on multiple tactics designed to significantly increase the net assets of the University. Advancement officers seek gifts and grants from specific individuals, corporations, and foundations based upon their relationship to the University and capacities to make gifts. Donor constituencies and monetary goals, which are based upon the University's strategic and financial plans, are assigned to specific advancement officers. The President, Vice Presidents, the Chair of the Advancement Committee of the Board and other principal Board members, as deemed appropriate, receive periodic advancement reports concerning both the financial and programmatic results of the Department's fundraising and alumni activities.

Campaigns

The University is currently leveraging its Centennial anniversary by raising funds through the campaign entitled "A Time to Rise." The campaign has a \$30 million goal, and has targeted donations for (1) "Facilities and Environment," with a focus on athletic facilities and the Templeton Hall project ; (2) "Opportunity and Experience," which will provide funding primarily for mission based activities; (3) "Teaching and Learning," which will enhance academic programs and educators; and (4) "Competition and

Achievement,” which will be used for student-related clubs, activities, and sports, as well as endowed scholarships. The University expects to reach its projected goal within the next two years.

The University’s last traditional campaign was launched in 1998 with a goal of \$38 million. This goal was reached through gifts and pledges within 4 years.

Annual Giving

Since 2021, the University’s fundraising staff has grown from 12 employees to 17 employees to increase engagement and solicitation requests during A Time to Rise campaign and moving forward. The University has seen significant and steady annual increases in giving, especially in the areas of awarded grants and major gifts. Alumni participation in the recent past was 17% and 23% in FY 2023 and FY 2022, respectively. The numbers presented in the table below are gifts received and do not include additional pledges and planned estate gifts.

	Total Giving				
Fiscal Years Ended June 30,	2020	2021	2022	2023	2024
Without Donor Restrictions	\$1,661,930	\$1,402,038	\$978,023	\$991,459	\$873,779
With Donor Restrictions	938,291	1,584,659	2,369,962	3,429,789	6,202,986
Total	\$2,600,221	\$2,986,697	\$3,347,985	\$4,421,248	\$7,076,765
Total (excluding outliers)*	\$2,600,221	\$2,986,697	\$2,347,985	\$4,421,248	\$3,076,765

*Note: Outliers are large, one-time donations.

Grants

The University has successfully obtained several major grants in the past three years, which include the following:

- FY 2025: \$4,172,305 from Lilly Endowment Inc. for Palmer Seminary
- FY 2024: \$2,750,000 private family foundation grant for Templeton Hall
- FY 2024: \$1,250,000 from Lilly Endowment Inc. for Palmer Seminary
- FY 2023: \$5,996,785 five-year U.S. DOE grant for the College of Education and Behavioral Sciences
- FY 2023: \$2,031,405 from the Department of Commerce’s National Telecommunications and Information Administration (NTIA)
- FY 2023: Up to \$1,000,000 (matching grant) from the Pennsylvania Redevelopment Assistance Capital Program for construction

Endowment

During the five-year period ended June 30, 2024, the University's endowment funds have grown from nearly \$30 million to \$34 million:

Endowment Fund					
Fiscal Years Ended June 30,	2020	2021	2022	2023	2024
Without Donor Restrictions	\$3,243,633	\$3,783,072	\$3,223,288	\$3,366,068	\$3,636,628
With Donor Restrictions	26,529,332	30,629,152	26,199,852	27,807,458	30,386,682
Total	\$29,772,965	\$34,412,224	\$29,423,140	\$31,173,526	\$34,023,310

Although the University has enjoyed healthy surpluses in the past few years, the University has seen only modest growth in its endowment. However, the University has chosen to make strategic investments to stimulate enrollment, as well as to make capital improvements to its campus.

Eastern's policy is to spend from endowment an amount of not less than 4% or greater than 5% of the average of the market values of the endowment fund at the end of the three preceding fiscal years. The Investment Sub-Committee of the Board may authorize endowment spending up to 6.5% of the average of the market values of the Fund at the end of the three preceding fiscal years.

Investments

The composition of the investment portfolio is as follows:

Investments (Fair Value of Assets)					
Fiscal Years Ended June 30,	2020	2021	2022	2023	2024
Money market funds	\$4,901,909	\$3,946,562	\$2,472,650	\$2,306,262	\$2,266,763
Equity Investments: Mutual funds	14,859,745	20,495,150	17,156,772	18,749,376	22,161,710
Fixed Income Investments: Mutual & exchange-traded funds	8,857,532	8,700,829	8,511,454	8,273,250	8,485,377
Total	\$28,619,186	\$33,142,541	\$28,140,876	\$29,328,888	\$32,913,850

The investment portfolio is managed by Vanguard. The University's adopted investment policy endeavors to increase spendable endowment income/payout while taking inflation into account. Long-term data for stocks and bonds suggest that a portfolio allocated 70% to equities and 30% to fixed income will produce a return approximately 4.0% above the level of inflation. The real estate fund investment is also expected to yield approximately 4.0% and appreciate in value over the long-term. Accordingly, under current circumstances and existing asset allocation of the University's endowment, the University's policy spends from endowment in any year an amount not less than 4% or greater than 5.0% of the average of the market values of the fund at the end of the three preceding fiscal years. The University's Investment Sub-Committee may authorize endowment spending up to 6.5% of the average of the market values of the fund at the end of the three preceding fiscal years. The University's Finance Committee will review the endowment spending/payout policy annually to determine if the rate is appropriate.

Liquidity

The following table shows financial assets available to meet cash needs for the past five fiscal years.

Fiscal Years Ended June 30,	Historical Liquidity				
	2020	2021	2022	2023	2024
Cash and cash equivalents	\$9,561,837	\$15,180,343	\$18,353,280	\$15,575,288	\$16,821,255
Student receivables, net	4,893,803	5,254,918	4,229,029	8,752,455	6,203,167
Student loan receivables, net	498,015	325,653	231,274	22,185	
Other federal funds receivable	664,709	1,494,856	785,592	3,639,918	1,135,147
Contributions receivable, net	58,500	115,746	30,750	165,000	85,230
Due from CHF – St. Davids, L.L.C.	556,905	427,681	346,041	426,277	777,659
Fair value of interest rate swap			329,533	728,225	797,864
Investments	28,619,186	33,142,541	28,140,876	29,328,888	32,913,850
Restricted Cash	349,957	805,059	7,213,531	8,319,651	4,534,503
Beneficial interest in remainder trusts	126,039	155,841	122,287	127,288	
Beneficial interest in perpetual trusts	994,364	1,194,339	993,965	719,634	788,147
Total Financial Assets	46,323,315	58,096,977	60,776,158	67,804,809	64,056,822
Less those unavailable for general expenditures within one year:					
Cash and cash equivalents held for					
Federal Perkins Loan program	(113,750)	(108,157)	(89,087)	(147,523)	(35,445)
Debt service deposits with trustees	(3,231,793)	(3,234,505)	(2,973,298)	(3,035,572)	(3,149,954)
Restricted cash, less amounts relating to endowments included below	(349,957)	(805,059)	(7,213,531)	(7,321,935)	(4,226,206)
Student loan funds receivable	(498,015)	(325,653)	(231,274)	(22,185)	
Fair value of interest rate swap			(329,533)	(728,225)	(797,864)
Beneficial interest in remainder trusts	(126,039)	(155,841)	(122,287)	(127,288)	
Beneficial interest in perpetual trusts	(994,364)	(1,194,339)	(993,965)	(719,634)	(788,147)
Board-designated endowment funds not expected to be appropriated within one year	(3,115,537)	(3,615,721)	(3,062,930)	(3,243,182)	(3,469,258)
Original gift value of donor-restricted permanent endowment funds	(22,466,996)	(22,613,601)	(22,847,403)	(23,230,682)	(23,504,825)
Portion of accumulated gains on donor-restricted permanent endowment	(2,623,051)	(6,597,492)	(1,956,610)	(3,506,593)	(5,558,470)
Funds not expected to be appropriated within one year	(33,519,502)	(38,650,368)	(39,819,918)	(42,082,819)	(41,530,169)
Financial assets available to meet cash cash needs for general expenditures within one year	\$12,803,813	\$19,446,609	\$20,956,240	\$25,721,990	\$22,526,658

In addition to the financial assets outlined above, Eastern is currently establishing a \$5 million line of credit with a banking institution which could be used to augment its other resources. The University is also implementing a liquidity and reserve policy, which will require the maintenance of a minimum level of unrestricted cash and investments relative to operations.

In 2023, the University worked with its tax consultants and has applied for over \$7 million in Employee Retention Tax Credits, which if approved, will add to the University's resources and overall liquidity. However, there can be no assurance that the University will receive these funds.

Current Debt and Future Debt Plans

As of fiscal year end 2024, the University's existing debt was as follows (excluding financing leases):

Debt Outstanding as of Fiscal Year End 2024			
Series	Original Par (000's)	Current Par (000's)	Final Maturity
2012	\$21,115	\$12,445	10/1/2032
2013	4,180	710	10/1/2025
2022	10,328	9,126	10/1/2036
Total	\$35,623	\$22,281	

2012 Bonds

In June 2012, the Delaware County Authority issued \$21,115,000 of tax-exempt revenue bonds on behalf of Eastern University (2012 Bonds). The bond proceeds were used to refund Series B and C of a previous 1999 bond issue and to pay off the balance of a note payable. The 2012 Bonds include serial bonds maturing annually from October 1, 2012 to October 1, 2019, totaling \$5,290,000, term bonds of \$6,385,000 maturing through October 1, 2027, and term bonds of \$6,965,000 maturing through October 1, 2032. Interest rates attributable to the issue range from 2.00% to 5.25% with interest payments due semi-annually. The issue is subject to an optional call provision on or after October 1, 2022.

2013 Bonds

In January 2013, the Delaware County Authority issued \$4,180,000 of tax-exempt revenue bonds on behalf of Eastern University (2013 Bonds). The bond proceeds were used to refund in entirety Series A of a previous 1999 Bond issue. The 2013 Bonds mature on October 1, 2025, with interest paid monthly. Interest rates attributable to the issue range from 1.7856% to 3.28%.

2022 Bonds

In February 2022, the Delaware County Authority issued \$10,328,000 of tax-exempt revenue bonds on behalf of Eastern University (2022 Bonds). The bond proceeds were used to refund in entirety a previous 2006 Bond issue. The 2022 Bonds mature on October 1, 2036, with interest paid monthly and principal payments made annually on October 1. Interest is variable and calculated at 82% of the 1 month CME Term SOFR rate plus 1.5%, adjusted monthly. The University has entered in to an interest rate swap agreement in connection with the Series 2022 Bonds. The maturity date of the agreement is October 1, 2036. The original notional amount outstanding on the interest rate swap agreement was \$10,328,000. The balance resulting from the estimated difference between the fixed rate and the variable rate was an asset of \$797,864 and \$728,225 as of June 30, 2024 and 2023, respectively.

2025A Bonds

The Series 2025A Bonds are being issued to refinance the Series 2012 Bonds and Series 2022 Bonds. On or before the closing on the 2025A Bonds, the University plans to pay off its Series 2013 bank loan which has a current balance of \$360,000. By refunding or repaying all the outstanding debt, the University removes all third party and variable rate risk while also being in a position to modernize its legal

documents and security provisions. After the issuance of the Series 2025A Bonds, the University will have no interest rate swaps.

In addition to the 2025A Bonds, the University plans to borrow \$22-27 million, subject to Board approval, in the next twelve months (the “2025B Bonds”), primarily for capital improvements to its athletic facility, which may include renovations, an addition, and other site improvements as well as a planned addition to Centennial Hall.

The University is also in the process of establishing a \$5 million line of credit for working capital purposes (the “Line of Credit”), which is expected to be issued as a Parity Obligation under the Collateral Agency Agreement and secured on parity with the Series 2025A Bonds.

Except for the 2025B Bonds and the Line of Credit, the University does not expect to issue additional bonds in the next two years.

The University has a debt management policy which establishes guidelines for the issuance, structure and oversight of debt, which was last reviewed and updated in 2022.

Historical Debt Service Coverage

The University has demonstrated adequate coverage of historical debt service on all Parity Obligations as follows:

Historical Debt Service Coverage Ratio (000's)					
Fiscal Years Ended June 30,	2020	2021	2022	2023	2024
Net Revenues Available for Debt Service	\$6,075	\$11,985	\$7,908	\$14,069	\$7,019
Long-Term Debt Service	2,908	2,887	2,037	2,886	2,820
Debt Service Coverage Ratio	2.09x	4.15x	3.88x	4.87x	2.49x

Accounting Matters

The University’s Audited Financial Statements as of June 30, 2024 and related notes, including the report of Capin Crouse LLP, independent auditors, have been prepared in accordance with industry regulations and best practices. The University prepares its financial statements using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The following are the more significant accounting policies consistently applied in the preparation of the accompanying financial statements. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and (ii) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In 2016, the Financial Accounting Standards Board (FASB) issued guidance, (Accounting Standards Codification (ASC) 326) ASU 2016-13 Current Expected Credit Losses (CECL), which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures

are required to provide users of the financial statements with the information useful in analyzing an entity's exposure to credit risk and the measurement of credit losses. The primary financial assets held by the University that are subject to the guidance in FASB ASC 326 were student accounts receivable.

The University adopted the standard effective July 1, 2023.

Retirement Plan

Retirement benefits are provided for substantially all full-time employees of the University through payments to defined contribution pension plans including Teachers Insurance and Annuity Association of America (TIAA) and the Ministers and Missionaries Benefit Board (MMBB). To be eligible, employees must work at least 1,000 hours during the plan year. University contributions to the plan during the year ended June 30, 2024, were approximately \$1,755,000. Contributions are determined based on the eligible employee's salary. For the year ended June 30, 2024, the University contributed 6%.

Insurance

The University maintains property damage and liability coverage consistent with sound practice for similarly situated entities. For property coverage, the University has an insurance policy with a blanket limit written on the special form, and replacement cost coverage with an agreed value endorsement so the University does not have coinsurance. Special coverage includes all perils except those that are excluded. In addition, the University has \$5 million of flood and \$5 million of earthquake coverage.

Technology and Cybersecurity

Eastern has a layered approach to cyber security. All client machines are protected by Symantec antivirus, soon to be superseded by eSentire EDR. The network has an EDR appliance installed, monitoring internal traffic. All external traffic (inbound and outbound) is protected by a high availability pair of Fortinet firewalls. Traffic between the main campus and remote sites are encrypted point-to-point with Fortinet appliances. The data center is physically secure, behind two card access doors and is under camera surveillance. Traffic on the network is actively monitored 24/7 by the security firm, eSentire. Long passwords (16+ characters) are enforced. All employees with access to financial data or personally identifiable information (PII) are required to use Multi-Factor Authentication.

The University has insurance coverage for breach response, business interruption, dependent business loss, cyber extortion loss, data recovery, data and network liability, regulatory defense and penalties, payment cad, media liability, and eCrime at various limits.

Litigation

The University is involved in certain claims and legal actions arising in the normal course of operations. In the opinion of the University, there is no litigation or other legal action of any nature pending or threatened wherein an unfavorable decision would have a material adverse effect on the financial condition of the University.

Federal Government / Additional Considerations

The University is currently monitoring federal legislative actions and executive orders that may affect the operations of the University to an extent that cannot be determined at this time. Such possible actions include, but are not limited to, changes in federal immigration and tax policies, along with uncertainties surrounding the Department of Education (DOE) and funding for financial aid programs. To

date, changes to federal research funding have had no negative impacts on the University. The University continues to evaluate various measures to best help position itself in the wake of numerous federal initiatives, but it is unclear at this time what the consequences to the University and its operations might be. No assurance can be given that changes or interpretations in laws, regulations or policies will not materially adversely affect the University's financial condition and/or operations.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

**FINANCIAL STATEMENTS OF EASTERN UNIVERSITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2024, AND JUNE 30, 2023**

[THIS PAGE INTENTIONALLY LEFT BLANK]



EASTERN UNIVERSITY

Financial Statements
With Independent Auditors' Report

June 30, 2024 and 2023



EASTERN UNIVERSITY

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statement of Activities–2024	4
Statement of Activities–2023	5
Statement of Functional Expenses–2024	6
Statement of Functional Expenses–2023	7
Statements of Cash Flows	8
Notes to Financial Statements	10

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Eastern University
St. Davids, Pennsylvania

Opinion

We have audited the accompanying financial statements of Eastern University, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern University as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eastern University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Eastern University's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Trustees
Eastern University
St. Davids, Pennsylvania

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Eastern University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eastern University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capin Crouse LLP

New York, New York
December 11, 2024

EASTERN UNIVERSITY

Statements of Financial Position

	June 30,	
	2024	2023
ASSETS:		
Cash and cash equivalents	\$ 16,821,255	\$ 15,575,288
Student receivables, net of allowance for credit losses of \$12,887,667 and \$12,151,976 in 2024 and 2023, respectively	6,203,167	8,774,640
Other federal funds receivable	1,135,147	3,639,918
Contributions receivable, net	85,230	165,000
Prepaid expenses and other assets	4,807,762	1,841,257
Due from CHF – St. Davids, L.L.C. (Note 12)	777,659	426,277
Operating lease - right-of-use assets	552,247	1,253,480
Financing lease - right-of-use assets	284,688	461,939
Fair value of interest rate swap agreement	797,864	728,225
Investments	32,913,850	29,328,888
Restricted cash	4,534,503	8,319,651
Property and equipment, net	51,883,305	40,880,360
Beneficial interest in remainder trusts	-	127,288
Beneficial interest in perpetual trusts	788,147	719,634
Total Assets	\$ 121,584,824	\$ 112,241,845
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 5,052,140	\$ 2,043,359
Accrued payroll	1,615,978	1,340,872
Deferred income	914,105	1,309,095
Student deposits	536,417	663,682
Accrued interest	159,916	201,299
Operating lease liabilities	669,390	1,438,612
Financing lease liabilities	296,184	471,436
Annuities payable	584,254	613,316
Bonds payable, net	22,141,390	23,961,186
Total liabilities	31,969,774	32,042,857
Net assets:		
Without donor restrictions	50,820,485	48,143,651
With donor restrictions	38,794,565	32,055,337
Total net assets	89,615,050	80,198,988
Total Liabilities and Net Assets	\$ 121,584,824	\$ 112,241,845

See notes to financial statements

EASTERN UNIVERSITY

Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND RECLASSIFICATIONS:			
Education and general:			
Tuition and fees, net	\$ 59,594,793	\$ -	\$ 59,594,793
Investment income, net	810,781	3,362,358	4,173,139
Contributions	904,338	1,769,136	2,673,474
Grants	4,620,340	4,625,622	9,245,962
Other sources	952,944	232,134	1,185,078
Auxiliary enterprises, net	11,172,249	-	11,172,249
Change in value of interest rate swap agreement	69,639	-	69,639
Net assets released from restrictions:			
Time and/or purpose	2,208,129	(2,208,129)	-
Net accumulated investment income released to support operations	<u>1,041,893</u>	<u>(1,041,893)</u>	<u>-</u>
Total Revenue, Support and Reclassifications	<u>81,375,106</u>	<u>6,739,228</u>	<u>88,114,334</u>
EXPENSES:			
Program services:			
Instructional	26,828,050	-	26,828,050
Academic support	5,767,000	-	5,767,000
Student services	22,904,692	-	22,904,692
Auxiliary enterprises	8,925,142	-	8,925,142
Total program services	<u>64,424,884</u>	<u>-</u>	<u>64,424,884</u>
Support services:			
Institutional support	11,969,461	-	11,969,461
Fundraising	2,303,927	-	2,303,927
Total support services	<u>14,273,388</u>	<u>-</u>	<u>14,273,388</u>
Total Expenses	<u>78,698,272</u>	<u>-</u>	<u>78,698,272</u>
Change in Net Assets	2,676,834	6,739,228	9,416,062
Net Assets, Beginning of the Year	<u>48,143,651</u>	<u>32,055,337</u>	<u>80,198,988</u>
Net Assets, End of Year	<u><u>\$ 50,820,485</u></u>	<u><u>\$ 38,794,565</u></u>	<u><u>\$ 89,615,050</u></u>

See notes to financial statements

EASTERN UNIVERSITY

Statement of Activities

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND RECLASSIFICATIONS:			
Education and general:			
Tuition and fees, net	\$ 57,828,061	\$ -	\$ 57,828,061
Investment income, net	505,645	2,389,117	2,894,762
Contributions	1,042,840	1,919,082	2,961,922
Grants	1,728,350	757,168	2,485,518
Other sources	633,513	281,825	915,338
Auxiliary enterprises, net	10,017,329	-	10,017,329
Change in value of interest rate swap agreement	398,692	-	398,692
Net assets released from restrictions:			
Time and/or purpose	1,879,953	(1,879,953)	-
Net accumulated investment income released to support operations	1,383,307	(1,383,307)	-
Total Revenue, Support and Reclassifications	75,417,690	2,083,932	77,501,622
EXPENSES:			
Program services:			
Instructional	22,218,773	-	22,218,773
Academic support	4,961,017	-	4,961,017
Student services	18,431,334	-	18,431,334
Auxiliary enterprises	7,757,372	-	7,757,372
Total program services	53,368,496	-	53,368,496
Support services:			
Institutional support	10,920,242	-	10,920,242
Fundraising	1,834,259	-	1,834,259
Total support services	12,754,501	-	12,754,501
Total Expenses	66,122,997	-	66,122,997
Change in Net Assets	9,294,693	2,083,932	11,378,625
Net Assets, Beginning of the Year	38,848,958	29,971,405	68,820,363
Net Assets, End of Year	\$ 48,143,651	\$ 32,055,337	\$ 80,198,988

See notes to financial statements

EASTERN UNIVERSITY

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services					Support Services			
	Instructional	Academic Support	Student Services	Auxiliary Enterprises	Total Program Services	Institutional Support	Fundraising	Total Support Services	Total
Salaries and wages	\$ 14,241,676	\$ 3,006,100	\$ 8,606,921	\$ 450,289	\$ 26,304,986	\$ 4,631,309	\$ 1,436,591	\$ 6,067,900	\$ 32,372,886
Employee benefits	3,402,098	830,004	2,531,910	59,586	6,823,598	1,441,209	314,647	1,755,856	8,579,454
Professional and outside services	5,637,386	666,978	6,438,978	5,459,727	18,203,069	1,294,075	309,448	1,603,523	19,806,592
Occupancy, utilities and maintenance	1,347,961	238,464	1,813,183	1,298,741	4,698,349	1,580,202	70,902	1,651,104	6,349,453
Depreciation	428,723	173,388	636,805	982,359	2,221,275	708,815	-	708,815	2,930,090
Insurance and financing	376,411	105,245	383,514	8,927	874,097	1,052,089	-	1,052,089	1,926,186
Bad debt expense	-	-	-	-	-	714,118	-	714,118	714,118
Supplies	968,908	593,241	1,564,359	416,749	3,543,257	357,164	37,444	394,608	3,937,865
Travel, meals and memberships	424,887	153,580	929,022	248,764	1,756,253	190,480	134,895	325,375	2,081,628
Total Expenses	<u>\$ 26,828,050</u>	<u>\$ 5,767,000</u>	<u>\$ 22,904,692</u>	<u>\$ 8,925,142</u>	<u>\$ 64,424,884</u>	<u>\$ 11,969,461</u>	<u>\$ 2,303,927</u>	<u>\$ 14,273,388</u>	<u>\$ 78,698,272</u>

See notes to financial statements

EASTERN UNIVERSITY

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services					Support Services			
	Instructional	Academic Support	Student Services	Auxiliary Enterprises	Total Program Services	Institutional Support	Fundraising	Total Support Services	Total
Salaries and wages	\$ 12,749,994	\$ 2,455,729	\$ 7,135,210	\$ 429,550	\$ 22,770,483	\$ 3,481,187	\$ 1,112,675	\$ 4,593,862	\$ 27,364,345
Employee benefits	3,127,569	679,445	1,980,605	62,824	5,850,443	1,187,521	246,330	1,433,851	7,284,294
Professional and outside services	2,871,943	516,259	4,838,809	4,848,848	13,075,859	1,381,941	237,827	1,619,768	14,695,627
Occupancy, utilities and maintenance	1,583,977	255,410	1,534,994	1,172,866	4,547,247	1,370,120	85,338	1,455,458	6,002,705
Depreciation	547,572	206,162	593,805	812,174	2,159,713	695,509	-	695,509	2,855,222
Insurance and financing	453,218	129,429	367,393	122,266	1,072,306	984,506	-	984,506	2,056,812
Bad debt expense	-	-	-	-	-	1,511,446	-	1,511,446	1,511,446
Supplies	562,968	567,235	1,237,335	61,695	2,429,233	127,460	37,187	164,647	2,593,880
Travel, meals and memberships	321,532	151,348	701,628	247,149	1,421,657	180,552	114,902	295,454	1,717,111
HEERF grants to students (Note 2)	-	-	41,555	-	41,555	-	-	-	41,555
Total Expenses	<u>\$ 22,218,773</u>	<u>\$ 4,961,017</u>	<u>\$ 18,431,334</u>	<u>\$ 7,757,372</u>	<u>\$ 53,368,496</u>	<u>\$ 10,920,242</u>	<u>\$ 1,834,259</u>	<u>\$ 12,754,501</u>	<u>\$ 66,122,997</u>

See notes to financial statements

EASTERN UNIVERSITY

Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 9,416,062	\$ 11,378,625
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Proceeds from contributions restricted for endowment gifts	(246,927)	(592,946)
Proceeds from contributions restricted for property and equipment	(3,565,017)	(420,372)
Realized and unrealized (gains) losses on investments	(2,882,135)	(1,986,681)
Depreciation expense	2,930,090	2,855,222
Amortization of financing lease right-of-use assets	174,828	175,732
Amortization of bond premium and issuance costs	25,204	26,444
Change in value of interest rate swap agreement	(69,639)	(398,692)
Bad debt expense	714,118	1,511,446
Change in value of beneficial interest in trusts	58,775	269,330
Change in actuarial value of annuities payable	113,817	82,678
Noncash effect of operating lease transactions	(68,047)	(134,324)
Changes in operating assets and liabilities:		
Accounts receivable:		
Students	1,857,355	(6,034,872)
Other federal funds receivable	2,504,771	(2,854,326)
Contributions receivable	79,770	(134,250)
Prepaid expenses and other assets	(2,966,505)	278,190
Due from CHF – St. Davids, L.L.C.	(351,382)	(80,236)
Accounts payable, accrued expenses and other liabilities	1,461,036	217,210
Accrued payroll	275,106	(228,673)
Deferred income	(394,990)	(285,019)
Student deposits	(127,265)	(539,291)
Accrued interest	(41,383)	18,399
Net Cash Provided by Operating Activities	<u>8,897,642</u>	<u>3,123,594</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	8,878,163	2,113,604
Purchases of investments	(9,580,990)	(1,314,935)
Cash paid for acquisitions of property and equipment	(12,385,290)	(4,480,877)
Net Cash Used by Investing Activities	<u>(13,088,117)</u>	<u>(3,682,208)</u>

(continued)

See notes to financial statements

EASTERN UNIVERSITY

Statements of Cash Flows (continued)

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on finance lease obligations	(172,771)	(171,055)
Repayment of bonds payable	(1,845,000)	(1,807,000)
Payments to annuitants	(142,879)	(148,521)
Proceeds from contributions restricted for endowment gifts	246,927	592,946
Proceeds from contributions restricted for property and equipment	3,565,017	420,372
Net Cash Provided (Used) by Financing Activities	<u>1,651,294</u>	<u>(1,113,258)</u>
 Change in Cash and Cash Equivalents and Restricted Cash	 (2,539,181)	 (1,671,872)
 Cash and Cash Equivalents and Restricted Cash, Beginning of Year	 <u>23,894,939</u>	 <u>25,566,811</u>
 Cash and Cash Equivalents and Restricted Cash, End of Year	 <u>\$ 21,355,758</u>	 <u>\$ 23,894,939</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 1,016,846</u>	<u>\$ 1,060,562</u>
 Noncash investing and financing transactions:		
Acquisition of property and equipment:		
Additions to property and equipment	\$ 13,933,034	\$ 3,968,318
Add: property and equipment in accounts payable at prior year end, paid in current year	30,351	542,910
Less: property and equipment in accounts payable at end of year	<u>(1,578,095)</u>	<u>(30,351)</u>
 Cash paid for acquisition of property and equipment	 <u>\$ 12,385,290</u>	 <u>\$ 4,480,877</u>
 Right-of-use assets obtained in exchange for operating lease liabilities	 <u>\$ 13,327</u>	 <u>\$ -</u>
 Right-of-use assets obtained in exchange for financing lease liabilities	 <u>\$ -</u>	 <u>\$ 408,670</u>

See notes to financial statements

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION:

Eastern University (University) is a not-for-profit institution located in St. Davids, Pennsylvania that owns and operates a private, nonsectarian, co-educational, comprehensive university. The University is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law. However, the University is subject to federal income tax on any unrelated business taxable income. In addition, the University has not been classified as a private foundation within the meaning of Section 509(a) of the IRC. The University is accredited by the Middle States Commission on Higher Education (MSCHE). The University is supported primarily through student tuition, revenues from auxiliary enterprises and gifts. In addition, the University receives grants, principally in the form of student financial aid. Revenues from auxiliary enterprises include residence halls, food services and conferences.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION

The University prepares its financial statements using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The following are the more significant accounting policies consistently applied in the preparation of the accompanying financial statements. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and (ii) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The University considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents, with the exception of cash and short-term investments that are managed as part of the University's long-term investment strategy. Under the terms of trust indentures for the University's outstanding bonds, the University must maintain various reserve funds with external bond trustees. The bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of funds through various accounts, and minimum amounts to be maintained as reserves. Funds held by external bond trustees included in cash and cash equivalents on the statements of financial position amount to \$3,149,954 and \$3,035,572 as of June 30, 2024 and 2023, respectively.

Amounts included in restricted cash on the statements of financial position represent those amounts required to be set aside for long-term purposes, including endowment assets and for the acquisition of property and equipment. In addition, restricted cash includes \$0- and \$6,409,332 at June 30, 2024 and 2023, respectively, of funds held by external bond trustees related to the proceeds from the sale of the West Campus property during the year ended June 30, 2022, which was a component of the collateral for the 2012 bonds (Note 8). As a result of that sale, the 2012 bond agreement was modified, requiring that the proceeds from the sale to be held in a separate account with the external bond trustee. These funds could only be used by the University to repay principal on the 2012 bonds or for certain capital improvements, with prior approval of the external bond trustee necessary. The University spent these funds during the year ended June 30, 2024. Remaining restricted cash is comprised of amounts restricted by donors for capital improvements and uninvested endowment assets.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, continued

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	June 30,	
	2024	2023
Cash and cash equivalents	\$ 16,821,255	\$ 15,575,288
Restricted cash	4,534,503	8,319,651
	<u>\$ 21,355,758</u>	<u>\$ 23,894,939</u>

STUDENT RECEIVABLES

Student accounts receivable consists of amounts billed to students for tuition and auxiliary charges. Student accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The University separates accounts receivable into risk pools based on their aging. In determining the amount of the allowance as of the statements of financial position date, the University develops a loss rate for each risk pool. The loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

Accounts are charged interest on the open balance at an annual rate of 18%; accrual of interest ceases when the account is assigned to outside collections after approximately two years of inactivity. Accounts past due still accruing interest (31+ days old) were approximately \$5,014,000 and \$7,609,000 as of June 30, 2024 and 2023, respectively. Accounts past due and assigned to collections were approximately \$14,060,000 and \$12,159,000 as of June 30, 2024 and 2023, respectively.

Allowances have been made in the financial statements for a majority of balances extending beyond 180 days from date of billing and for that part of current receivables which management believes to be uncollectible. Management removes balances from the allowance when it has exhausted all efforts to collect. The allowance for credit losses on current receivables was approximately \$381,000 and \$1,209,000 as of June 30, 2024 and 2023, respectively. The allowance for credit losses on receivables assigned to collections was approximately \$12,507,000 and \$10,943,000 as of June 30, 2024 and 2023, respectively. As of June 30, 2024, the University increased its allowance for credit losses for the overall category by approximately 3.9% based on current conditions and future forecasts.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

OTHER FEDERAL FUNDS RECEIVABLE

Other federal funds receivable consist primarily of Federal Direct Loans allocated to student tuition accounts, as well as PELL Grant funds, Federal Work Study funds, TEACH Grant funds and other federal funds that had been earned in the current reporting period but had not been drawn upon until the subsequent reporting period.

Agency activities include Federal Direct Loans, PELL and TEACH Grants, which are federal Title IV programs, and are not included in the University's statements of activities. Receipts and disbursements from agency transactions were approximately \$44,106,000 and \$32,786,000 for the years ended June 30, 2024 and 2023, respectively.

CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Conditional promises to give are not recognized in the financial statements until the underlying conditions are met. Pledges that are expected to be collected within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Contributions receivable at June 30, 2024 and 2023, are expected to be collected within one year. Allowance for uncollectible contributions receivable amounted to approximately \$-0- and \$10,000 at June 30, 2024 and 2023, respectively.

As of June 30, 2024 and 2023, the University had \$-0- and \$2,750,000, respectively, of conditional promises to give outstanding for a proposed building project. The nature of the conditions were such that the University needed to, prior to December 31, 2025, approve a final project plan and budget; obtain required building permits and other governmental approvals; and raise matching contributions to fund the remaining project budget above the pledge amount. During the year ended June 30, 2024, the University had raised the necessary funds and met all other the conditions of this grant in order to recognize revenue. This revenue is recorded as a component of grants on the statements of activities, and the funds were received during the year ended June 30, 2024.

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses are reported when incurred in accordance with the accrual basis of accounting. Other assets consist mainly of conference receivables, which are considered fully collectible, and housing security deposits.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Investment are recorded at fair value using the three-level fair value hierarchy and are substantially related to the University's endowments. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Dividends and interest are recognized as earned. Included in realized and unrealized gains (losses) is change in value of beneficial interest in trusts of \$(58,775) and \$(269,330) for the years ended June 30, 2024 and 2023, respectively, and change in actuarial value of annuities of \$(113,817) and \$(82,678) for the years ended June 30, 2024 and 2023, respectively. Investment income is recognized net of fees, if any. Investment income consists of:

	Without Donor Restrictions	With Donor Restrictions	Total
Year Ending June 30, 2024:			
Interest and dividends	\$ 566,591	\$ 755,709	\$ 1,322,300
Realized and unrealized gains	244,190	2,606,649	2,850,839
	<u>\$ 810,781</u>	<u>\$ 3,362,358</u>	<u>\$ 4,173,139</u>
	Without Donor Restrictions	With Donor Restrictions	Total
Year Ending June 30, 2023:			
Interest and dividends	\$ 327,972	\$ 665,055	\$ 993,027
Realized and unrealized gains	177,673	1,724,062	1,901,735
	<u>\$ 505,645</u>	<u>\$ 2,389,117</u>	<u>\$ 2,894,762</u>

PROPERTY AND EQUIPMENT

Property and equipment over \$2,500 is capitalized and recorded at cost, or if donated, at fair market value at the date of the gift. Depreciation is computed using the straight-line method based on the estimated useful lives of the various classes of assets. Expenditures for maintenance and repairs are charged to expense as incurred. Renewals and betterments are capitalized. Contributions of cash that must be used to acquire property and equipment generally are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the University reports expirations of donor restrictions when the acquired assets are placed in service. The University reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT, continued

Estimated useful lives are as follows:

	Years
Buildings	40
Building improvements	7-20
Furniture and fixtures	8-15
Library books	8
Office equipment	5-8

The University reviews its investment in property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flow expected to be generated by the assets and any estimated proceeds from the eventual disposition of the assets. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such assets. There were no impairment losses recognized on property and equipment for the years ended June 30, 2024 and 2023.

BENEFICIAL INTEREST IN REMAINDER TRUSTS

The University is the remainder beneficiary of a remainder trust. The University's share of the trust assets are recorded at fair value as an interest in trust held by others with the carrying value adjusted annually for changes in fair value. This trust was terminated during the year ended June 30, 2024.

BENEFICIAL INTEREST IN PERPETUAL TRUSTS

Donors have established and funded trusts which are administered by third-party organizations. Under the terms of these trusts, the University has the irrevocable right to receive all or a portion of the income earned on the trust assets either in perpetuity or for the life of the trust. The University does not control the assets held by the respective third-party trustees. Accordingly, the University records a beneficial interest in perpetual trusts and contribution income for its ratable share of the assets based on the fair market value.

ANNUITIES PAYABLE

The University accounts for annuities at present value. Under an annuity agreement, a donor makes a payment to the University in exchange for annual payments until death. The excess of the amount paid by the donor over the present value of the estimated number of annual payments is reported as restricted contribution revenue. The present value of the estimated payments is reported as a liability at the inception of the agreement. The discount rate used to calculate the present value of annuity contracts was between 0.4% and 8% for the years ended June 30, 2024 and 2023, with the actuarial assumptions based on published life expectancy tables adopted by the Internal Revenue Service.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

BOND ISSUE COSTS

Bond issue costs represent costs associated with the issuance of the Revenue Bonds and are amortized using the effective interest method over the terms of the bonds. Bond issue costs are presented as a reduction to bonds payable, net on the statements of financial position. Estimated amortization of bond issue costs over the next five years and thereafter, assuming no prepayments of principal, are as follows:

Year Ending June 30,

2025	\$ 36,511
2026	31,423
2027	25,255
2028	22,370
2029	19,547
Thereafter	<u>62,747</u>
	<u>\$ 197,853</u>

Amortization expense for the years ended June 30, 2024 and 2023, amounted to \$38,724 and \$40,695, respectively.

CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets. Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions are those that are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the University to utilize funds in furtherance of its mission. Net assets without donor restrictions also include those net assets that are designated as to their use by action of the University's Board of Trustees.

Net assets with donor restrictions consist of amounts restricted by donors and grantors for specific activities of the University or to be used at some future date. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Net assets with donor restrictions also include those resources subject to donor-imposed restrictions that they be maintained in perpetuity by the University. The donors of these assets permit the University to use all or part of the income and gains on related investments for either general or specific purposes. Accumulated gains appropriated for expenditure under the University's spending policy are reported in the statements of activities as net investment income used to support operations.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUE, SUPPORT AND RECLASSIFICATIONS

Revenue is reported in the period earned. Support is reported when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the University.

The University reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The University reports noncash gifts at their estimated fair market value on the date of donation. The University reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. The University reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service, unless specified by the donor that they may be released as spent.

TUITION AND FEES REVENUE

The University recognizes revenue from student tuition and fees within the fiscal year in which educational services are provided. Academic programs are delivered in the Fall and Spring academic terms, which fall entirely within a given fiscal year, as well as a Summer term as described below. Institutional aid, in the form of scholarships and grants, includes amounts funded by the endowment and other gifts, and reduces the published price of tuition for students receiving such aid. As such, institutional aid is referred to as a tuition discount and represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student. Payments for tuition are due prior to the start of the semester. The University's refund policy provides for a 100% refund of tuition if the student withdraws within the first two weeks of a regular semester, or within the first week of an accelerated semester such as the Summer term. Any withdrawals thereafter are refunded at 0%. Historically, refunds for terms spanning fiscal years have been de minimis. Substantially all deferred revenue at June 30, 2024 and 2023, was recognized as revenue during the following year.

Tuition and fees, net consist of the following:

	Year Ended June 30,	
	2024	2023
Gross tuition and fees	\$ 95,437,861	\$ 89,614,499
Less: scholarships and student aid	(35,843,068)	(31,786,438)
	<u>\$ 59,594,793</u>	<u>\$ 57,828,061</u>

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

TUITION AND FEES REVENUE, continued

The University offers Fall and Spring terms and three Summer terms: Summer session 1 starts mid-May and ends late June or early July, depending on the year, Summer session 2 begins in late June or early July, depending on the year, and ends mid-August, and the Summer full session begins mid-May and ends mid-August. Payments of tuition and fees are recognized as revenue as performance obligations are met. Revenue for each is recognized ratably over the summer terms.

For the 2024 Summer sessions, 100% of tuition and fees revenue for Summer session 1 is recognized in the statements of activities for the year ended June 30, 2024, and 0% of tuition and fees revenue is recorded as deferred income at June 30, 2024. For Summer session 2, 0% of tuition and fees revenue is recognized in the statements of activities for the year ended June 30, 2024, and 0% of tuition and fees revenue is recorded as deferred income at June 30, 2024, as the 2024 Summer session 2 did not begin until July 1, 2024. For the Summer full session, 50% of tuition and fees revenue is recognized in the statements of activities for the year ended June 30, 2024, and 50% of tuition and fees revenue is recorded as deferred income at June 30, 2024.

For the 2023 Summer sessions, 98% of tuition and fees revenue for Summer session 1 is recognized in the statements of activities for the year ended June 30, 2023, and 2% of tuition and fees revenue is recorded as deferred income at June 30, 2023. For Summer session 2, 0% of tuition and fees revenue is recognized in the statements of activities for the year ended June 30, 2023, and 0% of tuition and fees revenue is recorded as deferred income at June 30, 2023, as the 2023 Summer session 2 did not begin until July 3, 2023. For the Summer full session, 48% of tuition and fees revenue is recognized in the statements of activities for the year ended June 30, 2023, and 52% of tuition and fees revenue is recorded as deferred income at June 30, 2023.

Students secure their enrollment in the academic programs by paying nonrefundable deposits prior to the start of the semester. The deposits are applied against the charges for the academic and residential programs.

The activity and balances for deferred income for contracts with students are as follows:

	June 30,	
	2024	2023
Beginning balance of deferred income for contracts with students	\$ 784,456	\$ 910,746
Revenue recognized	(784,456)	(910,746)
Payments received for future performance obligations	553,700	784,456
Ending balance of deferred income for contracts with students	553,700	784,456
Other deferred income (not related to contracts with students)	360,405	524,639
	<u>\$ 914,105</u>	<u>\$ 1,309,095</u>

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

TUITION AND FEES REVENUE, continued

The activity and balances for student deposits related to contracts with students are as follows:

	June 30,	
	2024	2023
Beginning balance of student deposits for contracts with students	\$ 663,682	\$ 1,202,973
Revenue recognized	(663,682)	(1,202,973)
Payments received for future performance obligations	536,417	663,682
Ending balance of student deposits for contracts with students	<u>\$ 536,417</u>	<u>\$ 663,682</u>

AUXILIARY ENTERPRISES REVENUE

Auxiliary services revenue includes activities for student housing and dining facilities, conference revenues, and miscellaneous services. Payments for housing and dining services are due prior to the start of the academic term. Housing and dining plans are not offered during the summer terms. Housing and dining services fees are nonrefundable after the first day of classes. Performance obligations for housing and dining services are delivered over the academic terms. Consequently, associated revenues are earned and recognized over the course of each term as the services are delivered. Revenues and expenses from auxiliary enterprises are reported as changes in net assets without donor restrictions. Institutional aid is provided to qualifying residential assistants and is recorded as a reduction to related student housing revenue in the statements of activities. Institutional aid provided to residential assistants amounted to approximately \$598,000 and \$471,000 for the years ending June 30, 2024 and 2023, respectively.

STUDENT FINANCIAL ASSISTANCE PROGRAMS

The University participates in various programs administered by the U.S. Department of Education (ED) and state boards, and the University acts as an agent for the respective agencies. The grants amounts reported exclude funds directly awarded and credited to students under the various federal and state programs; however, substantial portions of the tuition and fees revenue and collection of accounts receivable as of June 30, 2024 and 2023, are dependent upon the University's continued participation in the various programs.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

EXPENSES AND FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are recognized in the period incurred and are reported as decreases in net assets without donor restrictions. Directly identifiable expenses are charged to their respective program service categories or supporting functions (which includes institutional support and fundraising expenses). Certain categories of expenses are partially or wholly attributed to more than one program or supporting function and therefore, require allocation. The categories of expenses that are allocated include salaries and wages, employee benefits, occupancy, utilities and maintenance, depreciation and insurance and financing costs, which are allocated on a combination of estimates of time and effort, as well as square footage basis. The University incurred no joint costs for the years ended June 30, 2024 and 2023. All costs related to advertising and promoting the University's services are expensed in the period such costs are incurred. Advertising and promotion expenses were approximately \$5,167,000 and \$3,945,000 for the years ended June 30, 2024 and 2023, respectively.

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the University to concentrations of credit and market risk consist principally of cash and cash equivalents and investments on deposit with financial institutions. The University's cash and cash equivalents and restricted cash and cash equivalents may from time to time exceed federal insurance limits. Cash and cash equivalents and restricted cash and cash equivalents exceeded federal insurance limits by approximately \$20,590,000 and \$23,902,000 for the years ended June 30, 2024 and 2023, respectively.

DISCLOSURES ABOUT FAIR VALUE OF ASSETS

The University uses appropriate valuation techniques to determine fair value based on inputs available. When available, the University measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of unadjusted quoted prices for similar assets in active or non-active markets, and Level 3 consists of significant unobservable inputs and have the lowest priority.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DISCLOSURES ABOUT FAIR VALUE OF ASSETS, continued

Fair Value Measurements at June 30, 2024:				
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Investments:				
Money market funds	\$ 2,266,763	\$ 2,266,763	\$ -	\$ -
Equity investments:				
Mutual funds	22,161,710	22,161,710	-	-
Fixed income investments:				
Mutual funds	8,485,377	8,485,377	-	-
Total investments	32,913,850	32,913,850	-	-
Interest rate swap agreement (Note 8)	797,864	-	797,864	-
Beneficial interest in perpetual trusts	788,147	-	-	788,147
	<u>\$ 34,499,861</u>	<u>\$ 32,913,850</u>	<u>\$ 797,864</u>	<u>\$ 788,147</u>
Fair Value Measurements at June 30, 2023:				
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Investments:				
Money market funds	\$ 2,306,262	\$ 2,306,262	\$ -	\$ -
Equity investments:				
Mutual funds	18,749,376	18,749,376	-	-
Fixed income investments:				
Exchange-traded funds	8,273,250	8,273,250	-	-
Total investments	29,328,888	29,328,888	-	-
Interest rate swap agreement (Note 8)	728,225	-	728,225	-
Beneficial interest in remainder trusts	127,288	-	-	127,288
Beneficial interest in perpetual trusts	719,634	-	-	719,634
	<u>\$ 30,904,035</u>	<u>\$ 29,328,888</u>	<u>\$ 728,225</u>	<u>\$ 846,922</u>

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DISCLOSURES ABOUT FAIR VALUE OF ASSETS, continued:

The following is a description of the valuation methodologies used for assets at fair value:

Money market funds are valued at market, which approximates cost.

Mutual funds and exchange-traded funds (ETF) are valued at the closing price as reported on respective stock markets.

Interest rate swap agreements are valued using the net present value of future cash flows attributable to the difference between the contractual variable and fixed rates in those agreements.

Beneficial interest in remainder trusts and perpetual trusts are determined by calculating the fair value of the University's share of the trust assets which are held as investments.

RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2016, the Financial Accounting Standards Board (FASB) issued guidance, (Accounting Standards Codification (ASC) 326) ASU 2016-13 *Current Expected Credit Losses (CECL)*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with the useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The primary financial assets held by the University that are subject to the guidance in FASB ASC 326 were student accounts receivable.

The University adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the University's financial assets reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date. Financial assets are considered unavailable when illiquid or not convertible to cash within one year and also include student loan receivables, debt service deposits with external trustees, beneficial interest in remainder trusts and perpetual trusts, and perpetual and board designated endowments and accumulated earnings net of appropriations expected within one year.

	June 30,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 16,821,255	\$ 15,575,288
Student receivables, net	6,203,167	8,774,640
Other federal funds receivable	1,135,147	3,639,918
Contributions receivable-net	85,230	165,000
Due from CHF – St. Davids, L.L.C.	777,659	426,277
Fair value of interest rate swap agreement	797,864	728,225
Investments	32,913,850	29,328,888
Restricted cash	4,534,503	8,319,651
Beneficial interest in remainder trusts	-	127,288
Beneficial interest in perpetual trusts	788,147	719,634
Financial assets, at year end	64,056,822	67,804,809
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
University cash and cash equivalents held for Federal Perkins Loan program	(35,445)	(147,523)
Debt service deposits with external trustees	(3,149,954)	(3,035,572)
Restricted cash, less amounts relating to endowments included below	(4,226,206)	(7,321,935)
Fair value of interest rate swap agreement	(797,864)	(728,225)
Beneficial interest in remainder trusts	-	(127,288)
Beneficial interest in perpetual trusts	(788,147)	(719,634)
Board-designated endowment funds not expected to be appropriated within one year	(3,469,258)	(3,243,182)
Original gift value of donor-restricted permanent endowment funds	(23,504,825)	(23,230,682)
Portion of accumulated gains on donor-restricted permanent endowment funds not expected to be appropriated within one year	(5,558,470)	(3,506,593)
	(41,530,169)	(42,060,634)
Financial assets available to meet cash needs for general expenditures within one year	\$ 22,526,653	\$ 25,744,175

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

3. LIQUIDITY AND FUNDS AVAILABLE, continued:

The University is supported primarily by tuition and fees revenue as well as contributions. Because contributions with donor restrictions require resources to be used in a particular manner or in a future period, the University must maintain sufficient resources to meet those responsibilities. Thus, financial assets may not be available for general expenditure within one year. The University has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of the following:

	June 30,	
	2024	2023
Land and infrastructure improvements	\$ 6,426,298	\$ 6,193,278
Buildings	54,274,518	49,413,797
Building improvements	32,861,500	30,369,484
Leasehold improvements	2,359,217	1,227,438
Furniture and fixtures	19,778,824	18,122,828
Library books and office equipment	3,712,474	7,718,728
	<u>119,412,831</u>	<u>113,045,553</u>
Less: accumulated depreciation	<u>(75,356,222)</u>	<u>(76,807,594)</u>
	44,056,609	36,237,959
Construction in progress	<u>7,826,696</u>	<u>4,642,401</u>
	<u>\$ 51,883,305</u>	<u>\$ 40,880,360</u>

The University has been blessed with an increasing enrollment over the past few years. The increase is primarily due to a deliberate effort to add and grow our athletic programs, most recently with the introduction of the football program in 2022. Relating to football, renovations were substantially completed during the year ended June 30, 2024, at the Valley Forge Military Academy, which the University leases, for new bleachers and a press box for the home football games. The cost of that project was approximately \$2,500,000. Renovations were also completed in the existing athletic facility converting the former trainer's room and administrative suite into a new trainer's room and two new locker rooms for men's and women's sports. The cost for this project was approximately \$1,130,000 and completed subsequent to year end. During the year ended June 30, 2024, the University began three new capital projects. The first, a new vehicular bridge and road connecting existing parking at the athletic facility and Thomas Drive, is estimated to cost approximately \$2,000,000, with 50% of the project being funded by a grant. The second project is an addition and renovation of Templeton Hall, formerly Workman Hall. This project is estimated to cost between approximately \$10,000,000 and \$11,000,000, with 50% being funded through grants, gifts and donations, and the remainder funded through operations. The University also began upgrades to the existing baseball field, with an estimated cost of approximately \$5,000,000. The baseball field upgrades are being funded through the remaining proceeds from the sale of the West Campus and cash reserves. Projected completion of all three projects is February 2025 for the vehicular bridge, July 2025 for Templeton Hall, and April 2025 for the baseball field.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

5. ACCRUED PAYROLL:

Accrued payroll consists of the following:

The University pays the faculty its contract salary over twelve months. As of June 30, 2024 and 2023, there were accrued faculty salaries approximating \$828,000 and \$778,000, respectively, which were due to be paid to the faculty during July and August, of both 2024 and 2023. At June 30, 2024 and 2023, accrued salaries and wages for administrative staff and service personnel approximated \$410,000 and \$264,000, respectively. At June 30, 2024 and 2023, administrative staff and service personnel had accrued accumulated vacation benefits of approximately \$379,000 and \$299,000, respectively.

6. LEASE RIGHT-OF-USE ASSETS AND LIABILITIES:

The University leases classroom and office space along with office equipment and vehicles under various operating and financing leases expiring August 2024 through November 2028. The leases require various monthly payments ranging between approximately \$100 and \$21,000. Lease right-of-use assets and liabilities, as well as lease cost, consist of the following:

	June 30,	
	2024	2023
Assets:		
Operating right-of-use	\$ 552,247	\$ 1,253,480
Financing right-of-use	\$ 284,688	\$ 461,939
Liabilities:		
Operating lease liabilities	\$ 669,390	\$ 1,438,612
Financing lease liabilities	\$ 296,184	\$ 471,436
Lease cost:		
Financing lease costs:		
Amortization of right-of-use assets	\$ 174,828	\$ 175,732
Interest on lease liabilities	13,423	16,121
Operating lease costs	294,231	675,852
Short-term lease cost	791,967	574,925
	\$ 1,274,449	\$ 1,442,630

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

6. LEASE RIGHT-OF-USE ASSETS AND LIABILITIES, continued:

Weighted-average discount rate:

Operating leases	3.27%	2.67%
Financing leases	2.93%	2.59%

Weighted-average remaining lease term:

Operating leases	2.40 years	4.11 years
Financing leases	1.81 years	2.74 years

Future minimum lease payments required under operating and finance leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>	<u>Financing</u>
2025	\$ 282,908	\$ 180,078
2026	284,079	127,837
2027	117,918	-
	684,905	307,915
Less imputed interest	(15,515)	(11,731)
	<u>\$ 669,390</u>	<u>\$ 296,184</u>

7. ANNUITIES PAYABLE:

The changes in annuities payable are as follows:

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Annuities payable, beginning of year	\$ 613,316	\$ 679,159
Less: Annuity payments	(142,879)	(148,521)
	113,817	82,678
Change in present value discount and other adjustments	113,817	82,678
Annuities payable, end of year	<u>\$ 584,254</u>	<u>\$ 613,316</u>

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

8. BONDS PAYABLE, NET:

2012 BONDS

In June 2012, the Delaware County Authority issued \$21,115,000 of tax-exempt revenue bonds on behalf of Eastern University (2012 Bonds). The bond proceeds were used to refund Series B and C of a previous 1999 bond issue and to pay off the balance of a note payable.

The 2012 Bonds include serial bonds maturing annually from October 1, 2012 to October 1, 2019, totaling \$5,290,000, term bonds of \$2,475,000 maturing through October 1, 2022, \$6,385,000 maturing through October 1, 2027, and \$6,965,000 maturing through October 1, 2032. Interest rates attributable to the issue range from 2.00% to 5.25% with interest payments due semi-annually. The issue is subject to an optional call provision on or after October 1, 2022. As of June 30, 2024 and 2023, the unamortized premium of the issue was \$58,243 and \$71,763, respectively.

Mandatory sinking fund payments for the 2012 Bonds are due on October 1 over the next five years as follows:

Year Ending June 30,

2025	\$ 1,545,000
2026	1,045,000
2027	1,410,000
2028	1,480,000
2029	<u>1,555,000</u>
	<u>\$ 7,035,000</u>

2013 BONDS

In January 2013, the Delaware County Authority issued \$4,180,000 of tax-exempt revenue bonds on behalf of Eastern University (2013 Bonds). The bond proceeds were used to refund in entirety Series A of a previous 1999 Bond issue. The 2013 Bonds mature on October 1, 2025, with interest paid monthly. Interest rates attributable to the issue range from 1.7856% to 3.28%.

Mandatory sinking fund payments for the Series A Bonds maturing in October 2025 are due on October 1 over the next two years as follows:

Year Ending June 30,

2025	\$ 350,000
2026	<u>360,000</u>
	<u>\$ 710,000</u>

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

8. BONDS PAYABLE, NET, continued:

2022 BONDS

In February 2022, the Delaware County Authority issued \$10,328,000 of tax-exempt revenue bonds on behalf of Eastern University (2022 Bonds). The bond proceeds were used to refund in entirety a previous 2006 Bond issue. The 2022 Bonds mature on October 1, 2036, with interest paid monthly and principal payments made annually on October 1. Interest is variable and calculated at 82% of the 1 month CME Term SOFR rate plus 1.5%, adjusted monthly. The University has entered in to an interest rate swap agreement in connection with the 2022 Bonds (see below).

Mandatory sinking fund payments for the 2022 Bonds maturing in October 2036 are due on October 1 over the next five years as follows:

Year Ending June 30,

2025	\$ 97,000
2026	632,000
2027	651,000
2028	672,000
2029	694,000
	<hr/>
	<u>\$ 2,746,000</u>

DERIVATIVE CONTRACTS (INTEREST RATE SWAP AGREEMENT)

The FASB issued the *Derivatives and Hedging* topic of the ASC, as amended, that requires derivative contracts to be reported in the statements of financial position as an asset or a liability measured at its fair value. As a part of the issuance of the 2022 Bonds, the University entered into an interest rate swap agreement with a bank. The maturity date of the agreement is October 1, 2036. The original notional amount outstanding on the interest rate swap agreement was \$10,328,000.

Contractual interest rate terms for the University's derivative contracts are as follows:

	Current Notional Amount	Fixed Rate Payer (University)	Variable Rate Payer (Bank)	Remaining Term Contract in Years
2022 Bonds:				
June 30, 2024	\$ 9,126,000	3.05%	5.88%	12.30
June 30, 2023	\$ 9,736,000	3.05%	5.46%	13.30

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

8. BONDS PAYABLE, NET, continued:

DERIVATIVE CONTRACTS (INTEREST RATE SWAP AGREEMENT), continued

The balance resulting from the estimated difference between the fixed rate and the variable rate was an asset of \$797,864 and \$728,225 as of June 30, 2024 and 2023, respectively. This amount is recomputed each year using the interest rates existing at the year end. The change is reported as change in value of interest rate swap agreement in the statements of activities.

Net interest expense on all bonds was approximately \$975,000 and \$1,079,000, respectively, for the years ended June 30, 2024 and 2023.

Under the terms of the bond agreements, the University is required to meet certain financial and reporting covenants, including maintaining a debt coverage ratio. At June 30, 2024 and 2023, the University was in compliance with these covenants.

Bonds payable, net consist of the following:

	June 30,	
	2024	2023
2012 bonds	\$ 12,445,000	\$ 13,335,000
2013 bonds	710,000	1,055,000
2022 bonds	9,126,000	9,736,000
	22,281,000	24,126,000
Unamortized bond premiums	58,243	71,763
Unamortized bond issue costs	(197,853)	(236,577)
	<u>\$ 22,141,390</u>	<u>\$ 23,961,186</u>

The aggregate of all bond maturities for the next five years and thereafter as of June 30, 2024, are as follows:

Year Ending June 30,

2025	\$ 1,992,000
2026	2,037,000
2027	2,061,000
2028	2,152,000
2029	2,249,000
Thereafter	11,790,000
	<u>\$ 22,281,000</u>

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

9. NET ASSETS:

Net assets consist of the following:

	June 30,	
	2024	2023
Net assets without donor restrictions:		
Undesignated	\$ 47,183,857	\$ 44,777,583
Board-designated quasi-endowment funds	3,636,628	3,366,068
Total net assets without donor restrictions	50,820,485	48,143,651
Net assets with donor restrictions:		
Subject to expenditure for a specified purpose:		
Capital projects	4,224,455	912,603
Scholarships and student aid	862,502	1,005,128
Instruction	2,358,715	1,255,963
Student services	622,721	821,078
General institutional support	304,064	232,976
Academic support	35,426	20,131
	8,407,883	4,247,879
Subject to the University's spending policy and appropriation:		
Accumulated gains (losses) on endowment assets	6,881,857	4,576,776
Original gift value of endowment funds	23,504,825	23,230,682
	30,386,682	27,807,458
Total net assets with donor restrictions	38,794,565	32,055,337
Total net assets	\$ 89,615,050	\$ 80,198,988

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

9. NET ASSETS, continued:

ENDOWMENTS

The University's endowment includes both donor-restricted endowment funds and funds designated to function as endowments. The endowment funds are restricted by donors and/or designated by the board for various purposes including scholarships, instruction, academic support and general institutional support. As required by GAAP, net assets associated with endowment funds, including funds designated to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The *Not-for-Profit Entities Presentation of Financial Statements* topic of the FASB ASC provides guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and improves disclosure about an organization's endowment fund regardless of whether the organization is subject to UPMIFA. The Commonwealth of Pennsylvania has not adopted UPMIFA but rather has enacted Pennsylvania Act 141 (PA Act 141). PA Act 141 permits an organization's trustees to define income as a stipulated percentage of endowment assets (between two percent and seven percent of the fair value of the assets averaged over a period of at least three preceding years) without regard to actual interest, dividend, or realized and unrealized gains earned.

The University has interpreted PA Act 141 to permit the University to spend the earnings of its endowment based on a total return approach, without regard to the fair value of the original gift. The University classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Funds functioning as endowments are established at the direction of the University management and are classified as net assets without donor restrictions due to the lack of external donor restrictions. Gains and losses attributable to permanent endowments are recorded as net assets with donor restrictions and gains and losses attributable to funds functioning as endowments are recorded as net assets without donor restrictions.

The University appropriates as much of the investment income of the endowment funds as is prudent considering the University's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. Under the University's spending policy, 4% to 5% of the fair value of investments at the end of the three preceding fiscal years, as long as it does not violate the corpus of the endowment, is appropriated to support current operations. Additionally, the Investment sub-committee can authorize an exception to this range up to 6.5%, of which a draw of up to 6.5% was enacted for both 2024 and 2023.

As of June 30, 2024 and 2023, all endowment funds had estimated fair values in excess of their original historic dollar values.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

9. NET ASSETS, continued:

ENDOWMENTS, continued

Endowment net assets by type of fund as of June 30, 2024, are as follows:

		With Donor Restrictions			
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains (Losses) and Other	Total With Donor Restrictions	Total Funds
Board-designated funds	\$ 3,636,628	\$ -	\$ -	\$ -	\$ 3,636,628
Donor-restricted funds	-	23,504,825	6,881,857	30,386,682	30,386,682
Total	<u>\$ 3,636,628</u>	<u>\$ 23,504,825</u>	<u>\$ 6,881,857</u>	<u>\$ 30,386,682</u>	<u>\$ 34,023,310</u>

Changes in endowment net assets for the year ended June 30, 2024, are as follows:

		With Donor Restrictions			
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains (Losses) and Other	Total With Donor Restrictions	Total Funds
Endowment net assets - beginning of year	\$ 3,366,068	\$ 23,230,682	\$ 4,576,776	\$ 27,807,458	\$ 31,173,526
Contributions and additions	-	246,927	-	246,927	246,927
Investment return, net	406,352	-	3,362,358	3,362,358	3,768,710
Reclassifications	-	27,216	-	27,216	27,216
Amounts appropriated for expenditure	(135,792)	-	(1,057,277)	(1,057,277)	(1,193,069)
	<u>270,560</u>	<u>274,143</u>	<u>2,305,081</u>	<u>2,579,224</u>	<u>2,849,784</u>
Endowment net assets - end of year	<u>\$ 3,636,628</u>	<u>\$ 23,504,825</u>	<u>\$ 6,881,857</u>	<u>\$ 30,386,682</u>	<u>\$ 34,023,310</u>

Endowment net assets are donor restricted and/or designated by the board for the following purposes at June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total Funds
Scholarships	\$ 926,876	\$ 12,865,066	\$ 13,791,942
General institutional support	2,287,710	9,680,344	11,968,054
Instruction	415,441	5,203,720	5,619,161
Academic support	6,601	2,569,822	2,576,423
Athletics	-	67,730	67,730
	<u>\$ 3,636,628</u>	<u>\$ 30,386,682</u>	<u>\$ 34,023,310</u>

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

9. NET ASSETS, continued:

ENDOWMENTS, continued

Endowment net assets by type of fund as of June 30, 2023, are as follows:

		With Donor Restrictions			
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains (Losses) and Other	Total With Donor Restrictions	Total Funds
Board-designated funds	\$ 3,366,068	\$ -	\$ -	\$ -	\$ 3,366,068
Donor-restricted funds	-	23,230,682	4,576,776	27,807,458	27,807,458
Total	<u>\$ 3,366,068</u>	<u>\$ 23,230,682</u>	<u>\$ 4,576,776</u>	<u>\$ 27,807,458</u>	<u>\$ 31,173,526</u>

Changes in endowment net assets for the year ended June 30, 2023, are as follows:

		With Donor Restrictions			
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains (Losses) and Other	Total With Donor Restrictions	Total Funds
Endowment net assets - beginning of year	\$ 3,223,288	\$ 22,847,403	\$ 3,352,449	\$ 26,199,852	\$ 29,423,140
Contributions and additions	-	592,946	-	592,946	592,946
Investment return, net	303,138	-	2,389,117	2,389,117	2,692,255
Reclassification	-	(209,667)	209,667	-	-
Amounts appropriated for expenditure	(160,358)	-	(1,374,457)	(1,374,457)	(1,534,815)
	<u>142,780</u>	<u>383,279</u>	<u>1,224,327</u>	<u>1,607,606</u>	<u>1,750,386</u>
Endowment net assets - end of year	<u>\$ 3,366,068</u>	<u>\$ 23,230,682</u>	<u>\$ 4,576,776</u>	<u>\$ 27,807,458</u>	<u>\$ 31,173,526</u>

Endowment net assets are donor restricted and/or designated by the board for the following purposes at June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total Funds
Scholarships	\$ 858,016	\$ 11,610,057	\$ 12,468,073
General institutional support	2,117,301	8,963,299	11,080,600
Instruction	384,641	4,792,680	5,177,321
Academic support	6,110	2,379,954	2,386,064
Athletics	-	61,468	61,468
	<u>\$ 3,366,068</u>	<u>\$ 27,807,458</u>	<u>\$ 31,173,526</u>

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

10. RETIREMENT PLAN:

Retirement benefits are provided for substantially all full-time employees through payments to defined contribution pension plans including Teachers Insurance and Annuity Association of America (TIAA) and the Ministers and Missionaries Benefit Board (MMBB). To be eligible, employees must work at least 1,000 hours during the plan year. University contributions to the plan during the years ended June 30, 2024 and 2023, were approximately \$1,755,000 and \$1,360,000, respectively. Contributions are determined based on the eligible employee's salary. For both years ended June 30, 2024 and 2023, the University contributed 6%.

11. COMMITMENTS AND CONTINGENCIES:

Auxiliary service agreement

During the year ended June 30, 2019, the University amended the management agreement with its food service provider, extending the term of the management agreement for an additional five years, through June 30, 2026. Pursuant to the terms of this amendment, the food service provider agreed to invest in certain improvements to the University's dining facilities. The investments represent deferred revenue to the University that will be recognized evenly over the remaining life of the management agreement. If the University were to terminate the management agreement before June 30, 2026, the University would be obligated to reimburse the food service provider for the unamortized portion of the improvements. For the years ended June 30, 2024 and 2023, the unamortized investment reported as deferred revenue was approximately \$331,000 and \$497,000, respectively.

Contingency

The University is subject to claims, legal proceedings and investigations of matters that arise in the ordinary course of operations. In the opinion of management, all such matters will not have a significant effect on the financial position or results of operations of the University if disposed of unfavorably.

Stadium facilities lease agreement

In July 2021, the University entered in to a six year stadium facilities lease agreement (amended in May 2023 to add an additional three years) with another institution, commencing on the date at which the landlord completes certain upgrades to the facilities. As part of the agreement, the University has the right to use the stadium facilities for less than 1 year worth of time spread over the 9 year term. The University made an up front payment of rent totaling approximately \$1 million, which the landlord will utilize to fund the planned upgrades. This \$1 million is being amortized over the original 6 year life of the lease, with the unamortized portion reported as a component of prepaid expenses and other assets on the statements of financial position. The lease calls for additional annual rent payments of \$80,000 for the first six years of the lease term, followed by \$85,000 in year 7, \$87,500 in year 8, and \$90,000 in year 9. Total rental payments over the life of the lease are approximately \$1.76 million. As the University controls the exclusive use of the facility for less than 1 year in total, the short-term lease exemption has been elected under FASB ASC 842 *Leases* and the lease is not included in the lease liabilities and right-of-use assets in the statements of financial position. The University does not have the right to obtain substantially all of the economic benefits nor the right to direct the use of the stadium facilities.

EASTERN UNIVERSITY

Notes to Financial Statements

June 30, 2024 and 2023

11. COMMITMENTS AND CONTINGENCIES, continued:

Student financial assistance programs

Activity related to student financial assistance programs is subject to audit both by independent certified public accountants and by representatives of the administering agencies regarding compliance with applicable regulations. Any resultant findings of noncompliance could potentially result in the required return of related funds received and/or the assessment of fines or penalties, or the discontinuation of eligibility for participation. In the opinion of management, audit adjustments, if any, will not have a significant effect on the financial position or result of activities of the University.

12. GROUND LEASE AGREEMENT:

The University (lessor) entered into a ground lease agreement with Collegiate Housing Foundation in June 2000 for the construction of additional housing facilities. In May 2018, the agreement was revised such that the ground lease agreement is with a single member LLC controlled by Collegiate Housing Foundation, CHF-St. Davids, L.L.C. (lessee). The University, in exchange for use of its land for the housing facilities, receives annual rent equivalent to the sum of the gross cash revenue received from the operation of the facility plus interest earnings received less annual operating and debt service costs. The University manages and operates the project. The lease is scheduled to expire in March 2030 at which time the lessee will yield the facility to the University.

Lease income was approximately \$528,000 and \$320,000 for the years ended June 30, 2024 and 2023, respectively. The University was due approximately \$778,000 and \$426,000 as of June 30, 2024 and 2023, respectively.

13. RELATED PARTY TRANSACTIONS:

The University participates in a joint venture with an institution for the delivery of associate degree education to a predominately minority student population. A principal of the partnering institution is an active member of the University's Board of Trustees. During the years ended June 30, 2024 and 2023, the University paid approximately \$1,371,000 and \$1,374,000, respectively, to the related party for facilities, staffing and other related costs.

Members of the Board of Trustees made contributions to the University totaling approximately \$910,000 and \$395,000 for the years ended June 30, 2024 and 2023, respectively.

14. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 11, 2024, which is the date the financial statements were issued. Subsequent events after that date have not been evaluated.

Subsequent to year end, the University entered in to a lease for office space. The lease term is approximately five years and total payments over the lease term will amount to approximately \$326,000.

APPENDIX C

FORMS OF TRUST INDENTURE, LOAN AGREEMENT, COLLATERAL AGENCY AGREEMENT AND SECURITY AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

TRUST INDENTURE

between

PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY

and

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

Dated as of

May 1, 2025

Securing

PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY

\$ _____

University Revenue Bonds
(Eastern University Project),
Series A of 2025

McNees Wallace & Nurick LLC
100 Pine Street
Harrisburg, PA 17101
Bond Counsel

Table of Contents

Page

ARTICLE I DEFINITIONS

Section 1.1	Use of Terms in Loan Agreement.....	4
Section 1.2	Definitions.	4
Section 1.3	Interpretation; Time of Day.	10
Section 1.4	Captions, Headings and Table of Contents.....	10

ARTICLE II AUTHORIZATION AND TERMS OF BONDS

Section 2.1	Amount, Form and Issuance of the 2025A Bonds.	12
Section 2.2	Designation, Denominations, Interest Rates, Maturity and Dated Dates.....	12
Section 2.3	Execution and Authentication of Bonds.	13
Section 2.4	Source of Payment of the Bonds.....	13
Section 2.5	Registration, Transfer and Exchange of Bonds.	14
Section 2.6	Mutilated, Lost, Wrongfully Taken or Destroyed Bonds.	14
Section 2.7	Cancellation of Bonds.....	15
Section 2.8	Payment of Principal and Interest.	15
Section 2.10	Book Entry System for the Bonds.	16
Section 2.11	Issuance of Additional Bonds.	18
Section 2.12	Disposition of Proceeds of Additional Bonds.....	19
Section 2.13	Issuance of Bonds for Other Projects.....	20

ARTICLE III REDEMPTION OF BONDS

Section 3.1	Terms of Redemption.	21
Section 3.2	Partial Redemption.	21
Section 3.3	Authority's Election to Redeem.....	21
Section 3.4	Notice of Redemption.	22
Section 3.5	Payment of Redeemed Bonds.	23
Section 3.6	Purchase in Lieu of Redemption.....	23

ARTICLE IV INDENTURE FUNDS

Section 4.1	Establishment of Project Fund; Application of 2025A Bond Proceeds.....	25
Section 4.2	Debt Service Fund.	25
Section 4.3	Debt Service Reserve Fund.....	26
Section 4.4	Investment of Funds.....	27
Section 4.5	Debt Service Fund Moneys to be Held in Trust.....	29

Section 4.6	Nonpresentment of Bonds.	29
Section 4.7	Creation of Rebate Fund.	29

ARTICLE V COVENANTS AND REPRESENTATIONS OF THE AUTHORITY

Section 5.1	Corporate Existence; Compliance with Laws.	31
Section 5.2	Payment of Debt Service.	31
Section 5.3	No Further Assignment of Pledged Revenues.	31
Section 5.4	Rights and Enforcement of Loan Agreement.	31
Section 5.6	Authority Not to Adversely Affect Tax-Exempt Status.....	31
Section 5.7	Bonds Not to Become Arbitrage Bonds.....	32
Section 5.8	Observance and Performance Agreements.	32
Section 5.9	Representations and Warranties.....	32

ARTICLE VI DEFAULT AND REMEDIES

Section 6.1	Defaults; Events of Default.....	33
Section 6.2	Notice of Default.	33
Section 6.3	Acceleration.	33
Section 6.4	Other Remedies; Rights of Registered Owners.	34
Section 6.5	Right of Registered Owners to Direct Proceedings.	35
Section 6.6	Application of Moneys.	35
Section 6.7	Remedies Vested in Trustee.....	37
Section 6.8	Rights and Remedies of Registered Owners.....	37
Section 6.9	Termination of Proceedings.....	38
Section 6.10	Waivers of Events of Default.....	38
Section 6.11	Certain Rights of Authority.	38
Section 6.12	Trustee’s Right to Appointment of Receiver.	38
Section 6.13	Trustee and Registered Owners Entitled to All Benefits Under Act.	38

ARTICLE VII TRUSTEE

Section 7.1	Trustee’s Acceptance and Responsibilities.....	40
Section 7.2	Certain Rights and Obligations of Trustee.....	41
Section 7.3	Fees, Charges and Expenses of Trustee.	46
Section 7.4	Intervention by Trustee.	47
Section 7.5	Successor Trustee.	47
Section 7.6	Resignation by Trustee.	47
Section 7.7	Removal of Trustee.....	47
Section 7.8	Appointment of Successor Trustee.	48

Section 7.9	Adoption of Authentication.	49
Section 7.10	Designation and Succession of Authenticating Agent, Registrar, Transfer Agent and Paying Agent.....	49
Section 7.11	Dealing in Bonds.	50
Section 7.12	Representations, Agreements and Covenants of Trustee.	50
Section 7.13	Actions under Collateral Agency Agreement; Successor Collateral Agent; Release of Collateral.....	50
Section 7.14	Directions to Trustee by Electronic Means.....	50

ARTICLE VIII SUPPLEMENTS AND AMENDMENTS

Section 8.1	Supplemental Indentures Not Requiring Consent of Registered Owners.	52
Section 8.2	Indentures Requiring Consent of Registered Owners.	53
Section 8.3	Consent of University.	53
Section 8.4	Authorization to Trustee; Effect of Supplement.	53
Section 8.5	Modification by Unanimous Consent.	54
Section 8.6	Amendment of Loan Agreement and Shared Security Documents.	54
Section 8.7	Trustee Authorized to Join in Supplements and Amendments; Reliance on Counsel.	54
Section 8.8	Notice to Rating Services.	55

ARTICLE IX DEFEASANCE

Section 9.1	Defeasance.	56
Section 9.2	Provision for Payment.	56
Section 9.3	Deposit of Funds for Payment of Bonds.....	57
Section 9.4	Survival of Certain Provisions.	57

ARTICLE X MISCELLANEOUS

Section 10.1	Limitation of Rights; No Personal Recourse.	59
Section 10.2	Severability.	59
Section 10.3	Notices.	59
Section 10.4	Suspension of Mail.	60
Section 10.5	Payments Due on Days Not Business Days.....	60
Section 10.6	Binding Effect.....	60
Section 10.7	Counterparts.....	61
Section 10.8	Governing Law.	61
Section 10.10	Entire Agreement.....	61

EXHIBIT A – FORM OF 2025A BONDS

EXHIBIT B – TERMS OF 2025A BONDS

TRUST INDENTURE

THIS TRUST INDENTURE dated as of May 1, 2025 (this “Indenture”) entered into by and between the PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY, a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania (the “Authority”), and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee (the “Trustee”).

WITNESSETH:

WHEREAS, the Authority is a body corporate and politic organized under provisions of the Pennsylvania Economic Development Financing Law (Act of August 23, 1967 P. L. 251, No. 102), as amended, codified at 73 P.S. § 371 et seq. (the “Act”); and

WHEREAS, the Authority has been created pursuant to the Act, with all necessary power and authority to issue limited obligation revenue bonds and to use the proceeds thereof to make loans to finance qualified projects (as defined in the Act), including the Project (as defined below), if authorized and approved by local industrial and development authorities or local industrial development agencies for financing by the Authority; and

WHEREAS, Cheltenham Township Industrial Development Authority is authorized by the Act to approve and submit projects to the Authority to promote the public purposes of the Act and has approved the Project for financing as required by the Act and has filed an application for such financing to the Authority; and

WHEREAS, Eastern University (the “University”) is a not-for-profit corporation organized under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”); and

WHEREAS, the University owns and operates certain facilities for higher education located in Radnor Township, Delaware County, Pennsylvania; and

WHEREAS, Delaware County Authority (“DCA”) has previously issued, for the benefit of the University its (i) Revenue Bonds (Eastern University), Series of 2012 (the “2012 Bonds”); and (ii) Revenue Bonds (Eastern University), Series of 2022 (the “2022 Bonds”, and together with the 2012 Bonds, the “Prior Bonds”); and

WHEREAS, the 2012 Bonds were issued by DCA under and pursuant to that Trust Indenture dated as of June 1, 2012 (the “2012 Bonds Indenture”), by and between DCA and The Bank of New York Mellon Trust Company, as trustee (the “2012 Bonds Trustee”), and the proceeds thereof loaned to the University pursuant to a Loan Agreement dated as of June 1, 2012, by and between DCA and the University; and

WHEREAS, the 2022 Bonds were issued by DCA and the proceeds thereof loaned to the University under and pursuant to that Bond Purchase and Loan Agreement dated as of February 16, 2022 (the “2022 Bonds Agreement”), by and among DCA, First National Bank of Pennsylvania (the “2022 Bonds Purchaser”), and the University; and

WHEREAS, the University has requested the Authority to make a loan to the University in the amount of \$_____ to fund a project consisting of the (i) refunding of all of the Prior Bonds; (ii) reimbursement of costs incurred in connection with the acquisition of property (land and improvements) situate at 8 Fenimore Lane, Radnor Township, Delaware County, Pennsylvania; (iii) funding of a deposit to the Debt Service Reserve Fund established herein to meet the Debt Service Reserve Fund Requirement for the 2025A Bonds; and (iv) payment of certain costs and expenses related to issuing the 2025A Bonds (the “Project”); and

WHEREAS, in order to obtain funds with which to finance the Project, the Authority proposes to issue hereunder on behalf of the University its University Revenue Bonds (Eastern University Project), Series A of 2025 in the aggregate principal amount of \$_____ (the “2025A Bonds”); and

WHEREAS, the Authority will lend the proceeds of the 2025A Bonds to the University, to be applied to the Project pursuant to a Loan Agreement dated as of May 1, 2025, by and between the Authority and the University (the “Loan Agreement”) providing for, among other things, the repayment of such loan and the pledge of the Pledged Revenues (as hereinafter defined) as security therefor; and

WHEREAS, the Authority has duly adopted resolutions authorizing and directing the execution and delivery of, among others, this Indenture and the Loan Agreement, and the issuance hereunder of the 2025A Bonds; and

WHEREAS, the Authority may from time to time issue Additional Bonds (as defined herein and, together with the 2025A Bonds, the “Bonds”), in accordance with the provisions hereof and of the Loan Agreement; and

WHEREAS, the Authority is entering into this Indenture for the purpose of issuing the 2025A Bonds and securing the payment thereof; and

WHEREAS, THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, AND THE BONDS AND THIS INDENTURE DO NOT PLEDGE THE GENERAL FAITH OR CREDIT OR TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH SHALL BE LIABLE FOR PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER; and

WHEREAS, the Authority hereby finds and determines that financing of the Project in the manner described above will further the purposes and policies of the Act; and

WHEREAS, in order to secure payment of the 2025A Bonds, the Authority has assigned to the Trustee all of its right, title and interest in and to all funds and accounts established under this Indenture (other than the Rebate Fund) and the Pledged Revenues (as defined below); and

WHEREAS, all acts and things necessary to make the 2025A Bonds when executed by the Authority, authenticated by the Trustee and issued by the Authority, the valid

and binding legal obligations of the Authority in accordance with their terms, and to constitute these presents a valid and binding Indenture enforceable in accordance with its terms, have been done and performed.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that, in order to secure the payment of the principal of, premium, if any, on and interest on the Bonds under this Indenture according to their tenor and effect) and the performance and observance by the Authority of all the covenants expressed or implied herein and in the Bonds, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the registered owners thereof, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Authority has executed and delivered this Indenture, and by these presents does hereby sell, assign, transfer, set over and pledge unto The Bank of New York Mellon Trust Company, N.A., as trustee, its successors in the trust and its and their assigns forever, to the extent provided herein, all of the right, title and interest of the Authority in and to (i) the Loan Agreement and all loan payments and other amounts payable or which may become payable thereunder (collectively, the “Pledged Revenues”); provided, however, that such term shall not include amounts paid (a) on account of Unassigned Authority’s Rights, as such term is defined in the Loan Agreement), or (b) to or for the account of the Trustee for its fees or expenses for the purpose of indemnifying the Trustee hereunder and under the terms and provisions of the Loan Agreement; and (ii) all funds and accounts established under this Indenture (other than the Rebate Fund) (all of the foregoing, the “Trust Estate”);

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, investments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien and security interest created by this Indenture unto the Trustee and its successors in trust hereby created and its and their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and ratable use, benefit and security of all present and future Registered Owners and registered owners of all Bonds issued and to be issued under this Indenture, without preference, priority or distinction as to lien or otherwise of any one Bond over any other Bond (except as otherwise specifically provided in this Indenture), so that each and every Bond issued under this Indenture shall have the same right, lien and privilege under this Indenture (except as aforesaid and except as otherwise described in this Indenture), and so that the Bonds shall be equally and proportionately secured hereby and thereby;

AND IT IS HEREBY COVENANTED AND AGREED by the parties hereto that the terms and conditions upon which the Bonds are executed, delivered, issued and held by all persons who shall from time to time be or become registered owners thereof, and that the Pledged Revenues are to be held and applied upon and subject to the further covenants, conditions and trusts as hereinafter set forth, are as follows:

ARTICLE I DEFINITIONS

Section 1.1 Use of Terms in Loan Agreement. Terms used in this Indenture which are defined in the Loan Agreement and are not otherwise defined in this Indenture shall have the meanings set forth in the Loan Agreement unless the context or use clearly indicates another meaning or intent.

Section 1.2 Definitions. In addition to the terms defined in the recital clauses of this Indenture, as used herein:

“Additional Bonds” means all Bonds authenticated and delivered hereunder and of any series other than the 2025A Bonds.

“Affiliate” means any person directly or indirectly controlling, controlled by or under common control with the University.

“Beneficial Owner” means any Person who acquires beneficial ownership interest in a Bond held by the Securities Depository. In determining the Beneficial Owner of any Bond, the Trustee may rely upon representations made and information given to the Trustee by the Securities Depository or its Participants with respect to any Bond held by the Securities Depository in which a beneficial ownership is claimed.

“Bond” or “Bonds” mean any Bond or all of the Bonds, as the case may be, authenticated and delivered under this Indenture, including the 2025A Bonds.

“Bond Counsel” means an attorney-at-law or a firm of attorneys of nationally recognized standing in matters pertaining to bonds (including the tax status of interest thereon) issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“Bond Registrar” and “Bond Register” have the respective meanings specified in Section 2.5 hereof.

“Bond Year” means with respect to any series of Bonds, the one-year period beginning on the day after the expiration of the preceding Bond Year (except that the last Bond Year shall end on the date on which such Bonds mature). The first Bond Year shall be the one year period beginning on the calendar date on which the Bonds are issued and ending on the date which is December 31 in the same calendar year.

“Book-Entry System” means any book-entry system for the Bonds maintained by the Securities Depository and described in 2.10.

“Business Day” means any day other than a Saturday, a Sunday, a federal holiday, or a day on which banking institutions or trust companies located in Pittsburgh, Pennsylvania, are authorized or obligated by law, regulation or executive order to remain closed.

“Certified Resolution of the Authority” means a copy of a resolution certified by the Secretary or Assistant Secretary of the Authority, under its corporate seal, to have been duly adopted by the Authority Board and to be in full force and effect on the date of such certification.

“Closing Statement” means the Closing Receipt, Closing Statement and Settlement Reconciliation executed by the Trustee, the University and the Authority on the date of issuance of the 2025A Bonds, pursuant to which the Trustee acknowledges receipt of the proceeds of the 2025A Bonds and the Authority directs the initial disposition thereof.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. References to the Code and Sections of the Code include the relevant regulations, temporary regulations and proposed regulations thereunder and under the Internal Revenue Code of 1954, as amended, and any successor provisions to those Sections, regulations, temporary regulations or proposed regulations.

“Consultant” means a person, who shall be otherwise unaffiliated with the University, appointed by the University, or if required to be appointed by the Authority or another person, satisfactory to the University, qualified to pass upon the matters under consideration and having a favorable reputation for skill and experience in such matters.

“Cost” or “Costs”, in connection with any portion of the Project, means all expenses which are properly chargeable thereto as a cost of a project under the Act or which are incidental to the financing, acquisition, renovation, equipping, expansion and construction of any portion of the Project. Whenever Costs are to be paid, such payment may be made by way of reimbursement to the University, the Authority or others who have paid the same.

“Counsel” means an attorney-at-law or law firm (who or which may be Bond Counsel or counsel for the University, the Trustee or the Authority).

“Debt Service” means for any period or payable at any time, the principal of, premium, if any, on and interest on the Bonds for that period or payable at that time whether due on an Interest Payment Date, at maturity or upon acceleration or redemption.

“Debt Service Fund” means the Debt Service Fund so designated and created pursuant to Section 4.2 hereof.

“Debt Service Reserve Fund” means the Debt Service Reserve Fund so designated and created pursuant to Section 4.3 hereof.

“Debt Service Reserve Fund Requirement” means with respect to the Debt Service Reserve Fund, to the extent permitted by applicable law, including, without limitation, federal income tax law, the maximum annual debt service due for the current or succeeding Bond Year, calculated as of the date of issuance of the Bonds secured by the Debt Service Reserve Fund in any Fiscal Year. Pursuant to Section 148 of the Code, the amount of sale proceeds of the Bonds deposited to the Debt Service Reserve Fund may not exceed 10% of such sale proceeds and the Debt Service Reserve Fund will be treated as reasonable required reserve only to the extent the amount deposited therein upon issuance of the Bonds does not exceed the least of (a) the maximum annual principal and interest requirements on the Bonds, (b) 10% of

the sale proceeds of the Bonds, and (c) 125% of the average annual principal and interest requirements for the Bonds.

“Delivery Office” means the office of the Trustee, as registrar and transfer agent, where Bonds may be delivered for transfer or exchange: The Bank of New York Mellon Trust Company, N.A., 500 Ross Street, Pittsburgh, Pennsylvania, 15258.

“Disqualified Contractor” means a Person which has been suspended or debarred by the Commonwealth under its Contractor Responsibility Program, Management Directive 215.9, as amended or replaced by a successive directive rule, regulation or statute from time to time or has been convicted by a court of competent jurisdiction of a crime for which a term of imprisonment of one year or more could have been imposed, and any Person controlled by a Person which has been so suspended, debarred or convicted.

“DTC” means The Depository Trust Company, New York, New York and its successors and assigns.

“Electronic Means” shall have the meaning given such term in Section 7.14 hereof.

“Event of Default” means any of the events described as an Event of Default in Section 6.1 hereof.

“Excess Earnings” means an amount equal to the sum of (a) plus (b) where:

(a) is the excess of (i) the aggregate amount earned from the date of issuance of the Bonds on all nonpurpose investments in which gross proceeds of the Bonds are invested (other than investments attributable to an excess described in this clause (a)), over (ii) the amount that would have been earned if such nonpurpose investments (other than amounts attributable to an excess described in this clause (a)) were invested at a rate equal to the yield on the Bonds; and

(b) is any income attributable to the excess described in clause (a).

The sum of (a) plus (b) shall be determined in accordance with Section 148(f) of the Code. As used herein, the terms “gross proceeds”, “nonpurpose investments” and “yield” have the meanings assigned to them for purposes of Section 148(f) of the Code.

“Extraordinary Services” and “Extraordinary Expenses” mean all services rendered and all reasonable and necessary documented expenses (including actual documented attorney’s fees, costs and expenses) properly incurred by the Trustee or any of its agents under this Indenture or the Loan Agreement, other than Ordinary Services and Ordinary Expenses.

“Financial Consultant” means a firm of investment bankers, a financial consulting firm, a law firm or a firm of certified public accountants, satisfactory to the University and the Trustee, which is experienced in the calculation of amounts required to be rebated to the United States under Section 148 (f) of the Code.

“Interest Payment Date” means as to the 2025A Bonds each April 1 and October 1, commencing October 1, 2025.

“Investment Securities” means and includes any of the following securities which at the time are legal investments under the laws of the Commonwealth for moneys held pursuant to this Indenture:

- (a) U.S. Government Obligations;
- (b) obligations issued or guaranteed by any of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America: (i) General Services Administration - participation certificates; (ii) Government National Mortgage Association (“GNMAs”) - guaranteed mortgage-backed securities and guaranteed participation certificates; (iii) Farmers Home Administration - certificates of beneficial ownership; (iv) and (v) U.S. Maritime Administration - guaranteed Title XI financings; provided, however, that stripped securities are only permitted if stripped by the agency itself;
- (c) obligations issued by any of the following federal agencies which obligations represent the full faith and credit of the United States of America: (i) Export-Import Bank of the United States; (ii) Rural Economic Community Development Administration; (iii) U.S. Maritime Administration; (iv) Small Business Administration; (v) Federal Housing Administration; (vi) U.S. Department of Housing & Urban Development - local authority bonds; and (vii) Federal Financing Bank;
- (d) direct obligations issued or guaranteed by any of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America: (i) Federal National Mortgage Association (“FNMA”) - senior debt obligations rated Aaa by Moody’s and AAA by Standard & Poor’s; (ii) Federal Home Loan Mortgage Corporation (“FHLMCs”) - participation certificates and senior debt obligations rated Aaa by Moody’s and AAA by Standard & Poor’s; (iii) Federal Home Loan Banks - senior debt obligations; and (iv) Resolution Funding Corp. (REFCORP) - debt obligations;
- (e) obligations issued by any state of the United States of America or any political subdivision thereof which are rated in one of the two highest rating categories by Moody’s and Standard & Poor’s;
- (f) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody’s and A-1 or better by Standard & Poor’s;
- (g) certificates of deposit, savings accounts, deposit accounts or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation, including the Bank Insurance Fund and the Savings Association Insurance Fund;
- (h) federal funds or bankers’ acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank (including without limitation the Trustee or any bank affiliated with the Trustee) or United States branch office of a foreign bank; provided that such bank has an

unsecured, uninsured and unguaranteed obligation rating of P-1 or A-3 or better by Moody's and A-1 or A or better by Standard & Poor's;

(i) investments in money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating of AAAM or AAAM-G by Standard & Poor's, and if rated by Moody's rated Aaa, Aa 1 or Aa2, 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 this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates;

(j) repurchase agreements, investment agreements (also referred to as guaranteed investment contracts) and forward delivery agreements;

(k) Savings accounts, deposit accounts or money market deposits of any bank (including any banking affiliates of the Trustee), trust company or savings and loan association which are fully insured by the Insurance Corporation or, to the extent not so insured, collateralized in accordance with the laws of the Commonwealth relating to the investment of public funds (72 Pa. C.S.A. §3836-1 et seq., Act of August 6, 1971, P.L. 281, No. 72) and secured by a first priority UCC lien in favor of the Trustee; and

(l) U.S. dollar denominated deposit accounts, federal funds, demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, bank deposit products, interest-bearing deposits, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee or one of its affiliates and the University and bankers' acceptances with domestic commercial banks (including the Trustee or any of its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P or are fully insured by the Federal Deposit Insurance Corporation and maturing not more than 360 calendar days after the date of purchase (Ratings on holding companies are not considered as the rating of the bank or trust company).

"Officer's Certificate" means in the case of the University, a certificate, executed by the Chair, Vice-Chair or Secretary of the Board of Trustees of the University, the President or Vice President for Finance and Operations of the University, or any other authorized officer, and in the case of the Authority, the Chairperson, Executive Director or Assistant Director and Secretary, or Assistant Secretary of the Authority or any other authorized officer.

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered, and those reasonable and necessary documented expenses (including actual documented attorney's fees, costs and expenses) normally incurred, by a trustee under instruments similar to this Indenture or the Loan Agreement, excluding any service performed in anticipation of or after the occurrence of an Event of Default,

“Outstanding Bonds”, “Bonds outstanding”, “Outstanding” or “outstanding” means as of the applicable date, all Bonds which have been authenticated and delivered, or which are being delivered by the Trustee under this Indenture except (i) Bonds canceled by the Trustee and (ii) Bonds or portions thereof for the payment of which cash or certain Investment Securities specified in Section 1.4(a)(2) hereof shall have been deposited with the Trustee in accordance with Section 9.2 (whether on or prior to a maturity or redemption date). For purposes of approval or consent by the Registered Owners, “Outstanding Bonds”, “Bonds outstanding”, “Outstanding” or “outstanding” shall not include Bonds that a Responsible Officer of the Trustee actually knows are owned by or on behalf of the Authority, the University or an Affiliate (unless all of the Outstanding Bonds are so owned).

“Participant” means any broker, dealer, bank or other financial institution or other Person for which, from time to time, the Securities Depository effectuates book-entry transfers and pledges of securities pursuant to the Book-Entry System.

“Payment Office” means the office of the Trustee where Bonds may be surrendered for payment upon redemption, acceleration, maturity or exchange: The Bank of New York Mellon Trust Company, N.A., 500 Ross Street, Pittsburgh, Pennsylvania, 15258.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Pledged Revenues” shall have the meaning described in the recitals.

“Project Fund” means the fund so designated and established pursuant to Section 4.1 hereof.

“Rating Service” means Moody’s Investors Service (“Moody’s”), if the Bonds are rated by such at the time, Standard & Poor’s Global Ratings (“Standard & Poor’s”), if the Bonds are rated by such at the time, and Fitch Ratings (“Fitch”), if the Bonds are rated by such at the time, and their respective successors and assigns, or if any of them shall be dissolved or no longer assigning credit ratings to long term debt, then any other nationally recognized entity assigning credit ratings to long term debt designated in writing by the Authority.

“Rebate Fund” means the fund so designated and established pursuant to Section 4.7 hereof.

“Register” means the books of the Authority maintained by the Trustee, as registrar and transfer agent, for the registration of the Bonds and the transfer of the Bonds.

“Registered Owner” means the person in whose name a Bond is registered on the Register.

“Regular Record Date” means the close of business on the fifteenth day of the calendar month (whether or not a Business Day) next preceding each Interest Payment Date.

“Regulatory Body” means and include (a) the United States of America and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America, (b) the Commonwealth, any political subdivision thereof, and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the Commonwealth, and (c) any other public or private body having or exercising regulatory jurisdiction and authority over the University or accrediting organizations, but shall not include the Authority.

“Representation Letter” means the Blanket Letter of Representations, together with DTC’s Operational Arrangements referred to therein, of the Authority on file with DTC and incorporated herein by reference.

“Responsible Officer” means, when used with respect to the Trustee, any vice president, assistant vice president or other officer of the Trustee within the corporate trust office specified in Section 10.3 (or any successor corporate trust office) having direct responsibility for the administration of this Indenture.

“Securities Depository” means initially The Depository Trust Company (“DTC”), New York, New York, and its successors and assigns, or a successor clearing agency designated pursuant to Section 2.10 hereof and its successors and assigns.

“Special Record Date” means the date established by the Trustee pursuant to Section 2.8 hereof in connection with the payment of overdue interest on the Bonds.

“Supplemental Indenture” means any amendment or supplement to this Indenture, duly executed by the Trustee and the Authority.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter.

“U.S. Government Obligations” means direct obligations of, and obligations the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America, including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America.

Section 1.3 Interpretation; Time of Day. Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa. The terms “hereof”, “hereby”, “herein”, “hereto”, “hereunder”, “hereinafter” and similar terms refer to this Indenture; and the term “hereafter” means after, and the term “heretofore” means before, the date of this Indenture. Words of any gender include the correlative words of the other genders, unless the context indicates otherwise. In this Indenture, all references to any time of the day shall refer to Eastern standard time or Eastern daylight saving time, as in effect in the City of Pittsburgh, Pennsylvania on such day.

Section 1.4 Captions, Headings and Table of Contents. The captions, headings and table of contents in this Indenture are solely for convenience of reference and in no way

define, limit or describe the scope of any Articles, Sections, Subsections, paragraphs, subparagraphs or clauses hereof.

(End of Article I)

ARTICLE II
AUTHORIZATION AND TERMS OF BONDS

Section 2.1 Amount, Form and Issuance of the 2025A Bonds. Except as provided in 2.6 hereof, the 2025A Bonds shall be limited to \$_____ in aggregate principal amount, and shall contain substantially the terms recited in the form of the 2025A Bonds set forth in Exhibit A. No 2025A Bonds may be issued under this Indenture except in accordance with this Article II.

All 2025A Bonds shall provide that Debt Service in respect thereof shall be payable only out of the Pledged Revenues, the Trust Estate, the proceeds of any Shared Collateral, or other sources of payment provided for herein, or otherwise as described in this Indenture. The Authority shall cause a copy of the text of the opinion of Bond Counsel delivered in connection with the issuance of the 2025A Bonds to be printed on or attached to the 2025A Bonds, and upon request of the Authority and deposit with the Trustee of an executed counterpart of such opinion, the Trustee shall certify by manual or facsimile signature that printed on or attached to the 2025A Bonds is the complete text of such opinion. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the 2025A Bonds. The 2025A Bonds may bear such endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

Upon the execution and delivery of this Indenture, the Authority shall execute the 2025A Bonds in the aggregate principal amount of \$_____ and deliver them to the Trustee for authentication. The Trustee shall authenticate the 2025A Bonds and deliver them to, or on the order of, the initial purchaser thereof upon receipt of a written request and authorization to the Trustee on behalf of the Authority, signed by an authorized officer of the Authority, and upon payment to the Trustee of the amount specified therein, which amount shall be deposited by the Trustee in the Project Fund and such amount so deposited shall thereafter be transferred or applied to the payment of costs of the Project in accordance with the written direction of the Authority contained in its Closing Statement.

Section 2.2 Designation, Denominations, Interest Rates, Maturity and Dated Dates. The 2025A Bonds shall be issued and designated as "Pennsylvania Economic Development Financing Authority University Revenue Bonds (Eastern University Project), Series A of 2025" in the aggregate principal amount of \$_____. The 2025A Bonds shall be issued as fully registered bonds, substantially in the form attached hereto as Exhibit A. The 2025A Bonds are secured by the Debt Service Reserve Fund established under Section 4.3 hereof.

(b) The 2025A Bonds shall bear interest at the rates and mature, subject to prior redemption as provided in the form thereof recited in this Indenture, on the dates set forth in Exhibit B attached to this Indenture.

(c) The 2025A Bonds shall initially be dated the date of delivery. Thereafter, the 2025A Bonds executed and delivered upon exchange or transfer or in substitution for the

same series of 2025A Bonds mutilated, lost or destroyed, shall be dated the date of their authentication.

(d) The 2025A Bonds shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of authentication, unless the date of authentication (i) is an Interest Payment Date, in which event the 2025A Bonds shall bear interest from the date of authentication, or (ii) is prior to the first Regular Record Date for the 2025A Bonds, in which event such Bonds shall bear interest from their dated date. Interest accruing on the 2025A Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 2.3 Execution and Authentication of Bonds. The Bonds shall be executed by the manual or facsimile signature of the Chairperson, Executive Director or Assistant Director of the Authority, and the corporate seal of the Authority or a facsimile thereof shall be affixed, imprinted, lithographed or reproduced thereon and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be that officer before the authentication of the Bond, the signature of such officer or the facsimile thereof nevertheless shall be valid and sufficient for all purposes, the same as if he had remained in office until that time. Any Bond may be executed on behalf of the Authority by an officer who, on the date of execution is the proper officer, although on the date of authentication of the Bond that person was not the proper officer.

No Bond shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Indenture unless and until a certificate of authentication has been duly executed by the manual signature of a duly authorized signer of the Trustee. The authentication by the Trustee upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and is entitled to the security and benefit of this Indenture.

Section 2.4 Source of Payment of the Bonds. The Bonds shall be payable solely out of the Pledged Revenues and other security pledged hereby. The Bonds, together with interest and any premium thereon, will be limited obligations of the Authority payable solely from the Trust Estate and will be a valid claim of the respective Owners thereof only against the Trust Estate.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO HEREIN. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE FAITH OR CREDIT OR THE TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE BONDS, NOR SHALL THE 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.

Section 2.5 Registration, Transfer and Exchange of Bonds. All Bonds shall be issued in registered form, and may be transferred and exchanged in the manner provided herein. The Trustee shall act as registrar and transfer agent for the Bonds (the “Bond Registrar”). So long as any of the Bonds remain outstanding, the Authority will cause the Bond Registrar to maintain a register (sometimes referred to as the “Bond Register”) for the registration and transfer of Bonds and to be kept at the Delivery Office of the Trustee.

Bonds may be exchanged at the option of the Registered Owners for Bonds of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of the same series and bearing interest at the same rate and maturing on the same date or dates as the Bonds being exchanged. The exchange shall be made upon presentation and surrender of the Bonds being exchanged at the Delivery Office of the Trustee, together with an assignment duly executed by the Registered Owner or its duly authorized attorney in form and with guarantee of signature satisfactory to the Trustee.

Any Bond may be transferred upon the Register, upon presentation and surrender thereof at the Delivery Office of the Trustee, together with an assignment duly executed by the Registered Owner or its duly authorized attorney in form and with guaranty of signature satisfactory to the Trustee. Upon transfer of any Bond, the Authority shall execute in the name of the transferee, and the Trustee shall authenticate and deliver, a new Bond or Bonds of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of the same series and bearing interest at the same rate and maturing on the same date or dates as, the Bonds presented and surrendered for transfer.

In all cases in which Bonds shall be exchanged or transferred hereunder, the Authority shall execute, and the Trustee shall authenticate and deliver, Bonds in accordance with the provisions of this Indenture. The exchange or transfer shall be made without charge; provided that the Authority or the Trustee may make a charge for every exchange or transfer of Bonds sufficient to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. The charge shall be paid before a new Bond is delivered.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Authority, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Bonds surrendered upon transfer or exchange. The Trustee shall not be required to exchange or transfer (i) any Bond selected for redemption, in whole or in part, or (ii) any Bond during the period of 15 days preceding any Interest Payment Date.

In case any Bond is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Bond, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds in authorized denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Bond redeemed in part.

Section 2.6 Mutilated, Lost, Wrongfully Taken or Destroyed Bonds. If any Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the Authority or a Responsible Officer of the Trustee that a lost, wrongfully taken or destroyed Bond has been acquired by a bona fide purchaser, the Authority shall execute, and the Trustee shall

authenticate and deliver a new Bond of like date, maturity and denomination and of the same series as the Bond mutilated, lost, wrongfully taken or destroyed; provided that (i) in the case of any mutilated Bond, the mutilated Bond first shall be surrendered to the Trustee, and (ii) in the case of any lost, wrongfully taken or destroyed Bond, there first shall be furnished to the Authority, the University and the Trustee evidence of the loss, wrongful taking or destruction satisfactory to each of them, together with indemnity satisfactory to each of them. The Authority and the Trustee may charge the Registered Owner of a mutilated, lost, wrongfully taken or destroyed Bond their reasonable fees and expenses (including attorney's fees, costs and expenses) in connection with their actions pursuant to this Section.

Notwithstanding the foregoing, the Trustee shall not be required to authenticate and deliver any substitute Bond for a Bond which has been called for redemption or which has matured or is about to mature and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Trustee in accordance with the terms of the mutilated, lost, wrongfully taken or destroyed Bond without substitution therefor.

Every substituted Bond issued pursuant to this Section shall constitute an additional contractual obligation of the Authority and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been lost, wrongfully taken or destroyed shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been lost, wrongfully taken or destroyed shall be enforceable by anyone, the Authority may recover the substitute Bond from the Registered Owner to whom it was issued or from anyone taking under the Registered Owner except a bona fide purchaser for value without notice.

All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or hereafter enacted.

Section 2.7 Cancellation of Bonds. Any Bond surrendered pursuant to this Article for the purpose of payment, redemption, retirement, exchange, replacement or transfer shall be canceled upon presentation and surrender thereof to the Trustee. The University may deliver at any time to the Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which the University may have purchased pursuant to the provisions of this Indenture. All Bonds so delivered shall be canceled promptly by the Trustee. Certification of the surrender and cancellation of any Bonds shall be made to the Authority upon written request of the Authority by the Trustee. Canceled Bonds shall be destroyed by the Trustee in accordance with applicable law and regulations and the Trustee's policies and procedures by shredding or incineration after their cancellation. The Trustee shall upon written request of the Authority provide certificates describing the destruction of canceled Bonds to the Authority.

Section 2.8 Payment of Principal and Interest. Debt Service of the Bonds shall be payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Principal of and any

premium on any Bond shall be payable when due upon presentation and surrender of such Bond at the Payment Office of the Trustee. Interest on any Bond shall be paid on each Interest Payment Date by check which the Trustee shall cause to be mailed on that date to the person in whose name the Bond is registered on the Register at the close of business on the Regular Record Date applicable to that Interest Payment Date at the address appearing therein. If and to the extent, however, that the Authority shall fail to make payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be payable to the person who was the Registered Owner of that Bond as of the applicable Regular Record Date. When moneys become available for payment of such interest, the Trustee shall establish a Special Record Date for the payment of that interest, which shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment. The Trustee shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to each Registered Owner at its address as it appears on the Register not fewer than 10 days prior to the Special Record Date, and thereafter that interest shall be payable to the persons who are the Registered Owners of the Bonds at the close of business on the Special Record Date.

At the written request of a Registered Owner of at least \$1,000,000 aggregate principal amount of Bonds received by the Trustee at least three (3) Business Days before the corresponding Regular Record Date, interest on the Bonds payable on any Interest Payment Date shall be paid by wire transfer in immediately available funds to the bank account within the continental United States specified in the written request of such Registered Owner.

Subject to the foregoing provisions of this Section 2.8, each Bond delivered under this Indenture upon registration of transfer of or exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 2.9 Persons Deemed Owners. Except as provided in Section 2.8 hereof, and in the first paragraph of Section 2.6, (i) the Registered Owner of any Bond shall be deemed and regarded as the absolute owner thereof for all purposes of this Indenture, (ii) payment of or on account of the Debt Service on any Bond shall be made only to or upon the order of that Registered Owner or its duly authorized attorney in the manner permitted by this Indenture, and (iii) neither the Authority nor the Trustee shall, to the extent permitted by law, be affected by notice to the contrary. All of those payments shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation the interest thereon to the extent of the amount or amounts so paid.

Section 2.10 Book Entry System for the Bonds. The Bonds shall initially be issued in the form of one fully registered Bond for the aggregate principal amount of the Bonds of each maturity, which Bond shall be registered in the name of the Securities Depository or its nominee provided that if the Securities Depository shall request that the Bond be registered in the name of a different nominee, the Bond Registrar shall exchange all or any portion of the Bond for an equal aggregate principal amount of Bonds registered in the name of such nominee or nominees of the Securities Depository. No Person other than the Securities Depository or its nominee shall be entitled to receive from the Authority or the Trustee either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless the Securities Depository or its nominee shall transfer record ownership of all or any

portion of the Bonds, in connection with discontinuing the Book-Entry System as provided in this Section 2.10.

(b) So long as the Book-Entry System is in effect, the Trustee and the Bond Registrar shall comply with the terms of any agreement with the Securities Depository, and notwithstanding anything in this Indenture to the contrary, such agreement shall govern with respect to notices, voting, payment, and delivery of Bonds.

(c) The Book-Entry System may be terminated upon the happening of any of the following:

(i) The Securities Depository or the Authority, based upon advice from the Securities Depository, advises the Trustee and the Bond Registrar in writing that the Securities Depository is no longer willing or able to properly discharge its responsibilities under any agreement(s) with the Authority and the Trustee, and the University is unable to locate a qualified successor Securities Depository satisfactory to the Trustee, the Authority and the University;

(ii) The University may elect to terminate the Book-Entry System by written notice to the Securities Depository, the Authority and the Trustee; or

(iii) After the occurrence and during the continuance of an Event of Default, the Beneficial Owners of a majority in aggregate Outstanding principal amount of the Bonds, through the Participants and the Securities Depository, may elect to discontinue the Book-Entry System and so advise the Trustee, the Authority, the University and the Securities Depository in writing.

(d) Upon the occurrence of any event hereinabove described, the Trustee shall notify the Securities Depository of the occurrence of such event and of the availability of definitive or temporary certificated Bonds to Beneficial Owners, in an aggregate Outstanding principal amount representing the ownership interest of each such Beneficial Owner, making such adjustments and allowances as it may find necessary or appropriate as to accrued interest and previous payments of principal or redemption price. Definitive certificated Bonds shall be issued only upon surrender to the Trustee of the Bond held by the Securities Depository, accompanied by written registration instructions for the definitive certificated Bonds. Neither the Authority, the Trustee nor the Bond Registrar shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon issuance of definitive certificated Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee and the Bond Registrar, to the extent applicable with respect to such definitive certificated Bonds. Prior to any transfer of the Bonds outside the book-entry only system (including, but not limited to, the initial transfer outside the book-entry only system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(e) Except for payment of principal at maturity, any provision of this Indenture permitting or requiring the delivery of Bonds shall, while the Book-Entry System is in effect, be satisfied by the notation on the books of the Securities Depository or a Participant, if applicable, of the transfer of the Beneficial Owner's interest in such Bond.

(f) Neither the Authority, the Trustee, the Bond Registrar, or the University will have any responsibility or obligation to Participants, to indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by the Securities Depository, any Participant, or any indirect Participant; (ii) the payment by the Securities Depository, any Participant or indirect Participant of any amount with respect to the principal of, or premium, if any, or interest on the Bonds; (iii) any notice which is permitted or required to be given by Beneficial Owners under this Indenture; (iv) the selection by the Securities Depository or any direct or indirect Participant of any Person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by the Securities Depository as Bondholder.

(g) Payments by the Participants or indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant or indirect Participant and not of the Securities Depository, the Trustee or the Authority, subject to any statutory and regulatory requirements as may be in effect from time to time.

Section 2.11 Issuance of Additional Bonds. The Authority, at the direction of the University, may issue one or more series of Additional Bonds from time to time for the purposes of and in compliance with Section 5.8 of the Loan Agreement. The Trustee shall authenticate and deliver such Additional Bonds at the request of the Authority, but only upon compliance with applicable requirements set forth herein and in the Loan Agreement, and upon delivery to the Trustee of:

(a) An Officer's Certificate of the University (i) setting forth in reasonable detail the estimated uses of the proceeds of the Additional Bonds and demonstrating the adequacy of such proceeds, together with the proceeds of any additional financing contemplated for such uses and with any other available moneys for such uses, and (ii) stating that no Event of Default has occurred and is continuing, and that the applicable requirements for the issuance of the Additional Bonds under the Loan Agreement and all other financing documents then in effect have been satisfied.

(b) A Certified Resolution of the Authority authorizing the issuance of the Additional Bonds and the execution and delivery of a supplement to the Loan Agreement and a supplement to this Indenture.

(c) An original executed counterpart of the supplement to the Loan Agreement.

(d) An indenture supplemental hereto, designating the new series to be created and prescribing expressly or by reference with respect to the Bonds of such series:

- (i) the principal amount of the Bonds of such series,
- (ii) the text of the Bonds of such series,
- (iii) whether such Bonds are on a parity with, or subordinate to, any Bonds previously issued under and pursuant to this Indenture,
- (iv) the maturity date or dates thereof,
- (v) the place or places where principal, premium, if any, and interest are to be paid and where the Bonds are to be registerable, transferable or exchangeable,
- (vi) the rate or rates of interest and the date from which, and the date or dates on which, interest is payable,
- (vii) provisions as to redemption,
- (viii) provisions (if any) as to exchangeability,
- (ix) whether such Bonds shall be secured by the Debt Service Reserve Fund,
- (x) any other provisions necessary to describe and define such series within the provisions and limitations of this Indenture, and
- (xi) any other provisions and agreements in respect thereof provided, or not prohibited, by this Indenture.

(d) An Opinion of Counsel substantially to the effect that such Additional Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Authority, enforceable against the Authority in accordance with their terms, and that each of the instruments to which the Authority is a party has been duly and validly authorized, executed and delivered by the Authority and constitutes the legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms, subject to customary qualifications on enforceability.

(e) Such Opinions of Counsel as are delivered pursuant to Article X hereof, if applicable.

Section 2.12 Disposition of Proceeds of Additional Bonds. Upon the issuance and delivery of any series of Additional Bonds issued under this Article II, the Bond proceeds and other amounts received by the Trustee shall be deposited in a series-specific account within the Project Fund (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 or escrow fund especially established for the purpose).

Section 2.13 Issuance of Bonds for Other Projects. Nothing in this Indenture shall prevent the Authority from issuing bonds, notes or other obligations or evidences of indebtedness under other indentures or resolutions for financing projects other than the Project or from pledging receipts, revenues and money from such other projects for payment of bonds issued to finance such other projects.

(End of Article II)

ARTICLE III
REDEMPTION OF BONDS

Section 3.1 Terms of Redemption. The 2025A Bonds are subject to redemption prior to stated maturity at such times, to the extent and in the manner provided below. Additional Bonds shall be subject to redemption prior to maturity at such times, to the extent and in the manner provide in the Supplemental Indenture authorizing such Additional Bonds.

(a) Optional Redemption of 2025A Bonds. The 2025A Bonds maturing on or after _____, ____, are subject to redemption prior to maturity by the Authority, at the written direction of the University, on or after _____, ____, in whole at any time or in part from time to time in such order of maturity as specified by the Authority at the written direction of the University, and within a maturity by lot, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(b) Scheduled Mandatory Redemption of 2025A Bonds. The 2025A Bonds maturing on _____, ____, and _____, ____, are subject to scheduled mandatory redemption by the Authority on _____ in the years and the amounts set forth at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

2025A Bonds Maturing _____:

<u>Year</u>	<u>Principal</u>
-------------	------------------

*Final Maturity

Section 3.2 Partial Redemption. If fewer than all of the Bonds of any maturity are to be redeemed, the selection of Bonds of such maturity to be redeemed, or portions thereof in amounts of \$5,000 and any integral multiple of \$5,000 in excess thereof, shall be made by lot by the Trustee; provided, however, if DTC or its nominee is the Registered Owner of the Bonds, such selection shall be made by lot by DTC, the DTC Participants and indirect Participants in such manner as they may determine.

Section 3.3 Authority's Election to Redeem. Bonds shall be redeemed pursuant to optional redemption only by written notice from the University on behalf of the Authority to the Trustee. Such notice shall specify the redemption date and the principal amount of Bonds to be redeemed and shall be given to the Trustee at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion. In no event shall the redemption of Bonds result in a Bond of a denomination of less than \$5,000.

Section 3.4 Notice of Redemption.

(a) When required to redeem Bonds under any provision of this Indenture, or when directed to do so by the Authority or the University pursuant to the provisions of this Indenture, the Trustee shall cause notice of the redemption to be given not less than 30 days prior to the date fixed for redemption by mailing copies of such notice of redemption by first class mail, postage prepaid, to all Registered Owners of Bonds to be redeemed at their registered addresses, but failure to mail any such notice or defect in the mailing thereof in respect of any Bond shall not affect the validity of the redemption of any other Bond with respect to which notice was properly given. Each such notice shall be dated and shall be given in the name of the Authority and shall state the following information:

- (i) the identification numbers, as established under this Indenture, and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;
- (ii) any other descriptive information needed to identify accurately the Bonds being redeemed;
- (iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;
- (iv) the redemption date;
- (v) the redemption price;
- (vi) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- (vii) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Payment Office of the Trustee.

In addition, the Trustee shall at all reasonable times make available, at the expense of the requesting party, to the Authority and the University, complete information as to Bonds which have been redeemed or called for redemption.

(b) In addition to the foregoing notice, further notice of any redemption of Bonds hereunder shall be given by the Trustee electronically or by registered or certified mail or overnight delivery service to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA®) system or such other organization at the time approved by the SEC as a Nationally Recognized Municipal Securities Information Repository and to DTC. The foregoing notice of redemption shall be sent to DTC not less than 30 and not more than 60 days prior to the redemption date by legible facsimile transmission, certified or registered mail,

overnight delivery service or another secure method which enables the Trustee subsequently to verify the transmission of such notice. Such further notice shall contain the information required in Subsection 3.4(a). Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given to the Registered Owners as prescribed in Subsection 3.4(a). Notwithstanding anything to the contrary herein, each of the Authority and the University acknowledges and agrees that in connection with any notice required to be posted to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA®) system pursuant to this Indenture, that the Trustee is not acting nor shall it be deemed to be acting as the disclosure/dissemination agent for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934.

(c) If at the time of mailing of notice of any optional redemption there shall not have been deposited moneys in the Debt Service Fund available for payment pursuant to Subsection 4.2(b) sufficient to redeem all the Bonds called for redemption, or if the University desires to make the optional redemption of the particular Bonds subject to the satisfaction of any other conditions, such notice may state that it is conditional in that it is subject to the deposit of the redemption moneys in the Debt Service Fund available for payment pursuant to Section 4.2 not later than 10:00 a.m. on the scheduled redemption date, or subject to the satisfaction of certain other stated conditions, in which case such notice shall be of no effect, and the option redemption shall not be effected, unless moneys are so deposited, or such other stated conditions satisfied.

Section 3.5 Payment of Redeemed Bonds. If unconditional notice of the redemption has been duly given or duly waived by the Registered Owners of all Bonds called for redemption, or conditional notice of redemption has been so given or waived and moneys for such redemption have been duly deposited with the Trustee not later than the opening of business on the redemption date, then in either such case the Bonds called for redemption shall be payable on the redemption date at the applicable redemption price. Payment of the redemption price together with accrued interest shall be made by the Trustee out of Pledged Revenues or other funds deposited for such purpose, to or upon the order of the Registered Owners of the Bonds called for redemption upon surrender of such Bonds, except as otherwise provided in Section 2.10.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

All moneys deposited in the Debt Service Fund and held by the Trustee for the redemption of particular Bonds shall be held in trust for the account of the Registered Owners thereof and shall be paid to them upon presentation and surrender of those Bonds, except as otherwise provided in Section 2.10.

Section 3.6 Purchase in Lieu of Redemption.

(a) Nothing herein shall prevent the University from purchasing Bonds in lieu of redemption by private, negotiated purchase on the secondary market at prices at or below the redemption price that would be otherwise due and payable on such Bonds.

(b) If the University shall elect to purchase all or such lesser portion of the Bonds so called for redemption, it shall deliver written notice to the Trustee of its election to purchase Bonds in lieu of redemption at least two Business Days prior to the date fixed for redemption. Such written notice shall identify the Bonds called for redemption which are being purchased by the University. Any Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by this Indenture on such redemption date.

(c) Upon settlement for such purchase the University shall deliver the Bonds so purchased to the Trustee for cancellation on or before the redemption date, and the University will be credited for such purchase and delivery as if such Bonds had been redeemed in accordance with Section 3.1.

(End of Article III)

ARTICLE IV INDENTURE FUNDS

Section 4.1 Establishment of Project Fund; Application of 2025A Bond Proceeds. There is hereby established with the Trustee a trust fund designated as the “Project Fund” for the payment of costs of the Project. On the date of issuance of the 2025A Bonds, upon receipt of the proceeds of the sale of the 2025A Bonds, the Trustee shall deposit such proceeds of the 2025A Bonds in the Project Fund, as directed by the Authority in the Closing Statement. The Trustee at the direction of the University shall also deposit in the Project Fund any other moneys required or permitted to be deposited therein pursuant to this Indenture or the Loan Agreement and identified on the Closing Statement, to be applied to the costs of the Project, including, but not limited to, any amounts held by the 2012 Bonds Trustee in any debt service reserve funds securing the 2012 Bonds under the 2012 Bonds Indenture, and any amounts held by the 2022 Bonds Purchaser in any debt service reserve fund securing the 2022 Bonds under the 2022 Bonds Agreement.

Disbursements from the Project Fund shall be made only with respect to costs of the Project. On the date of issuance of the Bonds, the Trustee shall make payments and transfers from the Project Fund in the amounts set forth in the Closing Statement related to the Bonds.

Section 4.2 Debt Service Fund.

(a) Pledged Revenues to be Paid Over to the Trustee. The Authority has caused the Pledged Revenues to be paid directly to the Trustee. If, notwithstanding these arrangements, the Authority receives any payments pursuant to the Loan Agreement (other than payments to the Authority of its Administrative Expenses or other payments in respect of Unassigned Authority’s Rights), the Authority shall immediately pay over the same to the Trustee to be held as Pledged Revenues or otherwise applied pursuant to this Indenture. Except as provided in the immediately preceding sentence and as otherwise specifically directed under the terms of this Indenture, all Pledged Revenues received by the Trustee under the Loan Agreement shall be deposited on into the Debt Service Fund.

(b) Creation of Debt Service Fund. There is hereby established with the Trustee a trust fund designated as the “Debt Service Fund” and within such fund a “2025A Account”. Moneys held in the 2025A Account of the Debt Service Fund shall be applied by the Trustee in accordance with this Indenture to make payments when due of principal of, redemption price, if any, and interest on the 2025A Bonds. The Debt Service Fund shall constitute a trust fund for the benefit of the Registered Owners of the Bonds, and the money and investments in such fund shall be held separate and apart from money in any other fund or account, and disbursed only for the purposes and uses hereinafter authorized. The moneys on deposit within the Debt Service Fund shall be applied as follows:

- i. to the payment of interest, when due, on all Outstanding Bonds, including any accrued interest due in connection with purchases or redemptions of the Bonds; and

ii. 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 in the case of final maturity).

(c) If by 2:00 p.m. on the Business Day immediately preceding any principal or interest payment date there are not sufficient moneys in the Debt Service Fund on such date to pay principal of and interest on the 2025A Bonds to become due and owing on such date, moneys shall be transferred to the Debt Service Fund from the Debt Service Reserve Fund in an amount which, together with the amount then on deposit in the Debt Service Fund, will result in the Debt Service Fund having the balance required to be on deposit therein in order to pay interest and principal to become due and payable on such date.

(d) Credits. If at any time the Trustee has funds which under the provisions of this Indenture are to be applied to pay the principal of, premium, if any, or interest on the Bonds, the University, to the extent that such funds are to be so applied, shall be entitled to a credit equal to the amount of such funds, against payments due from the University under the Loan Agreement.

(e) Additional Accounts within Debt Service Fund. The Trustee may establish such additional and separate accounts within the Debt Service Fund as directed by a Supplemental Indenture for the Additional Bonds

Section 4.3 Debt Service Reserve Fund.

(a) There is hereby established with the Trustee a trust fund designated as the “Debt Service Reserve Fund,” which fund is a common debt service reserve fund securing all Bonds Outstanding hereunder that are expressly as Bonds to be secured by the Debt Service Reserve Fund. Funds will be deposited in the Debt Service Reserve Fund in a sufficient amount to satisfy the Debt Service Reserve Fund Requirement for the Bonds. The moneys on deposit in the Debt Service Reserve Fund are pledged and shall be available for the payment of principal and interest, on the Bonds, in respect of which the amount is established, pursuant to the provisions of Section 4.2 herein, and shall be available for the payment of any amount required to be deposited in the Rebate Fund pursuant to Section 4.7 hereof, to the extent other moneys are unavailable therefor.

(b) On the date of issuance of the Bonds, the amount of \$_____, which amount equals the Debt Service Reserve Fund Requirement for the 2025A Bonds, shall be deposited into the Debt Service Reserve Fund from the proceeds of the 2025A Bonds or from other sources identified by the University.

(c) In the event the Trustee utilizes any moneys in the Debt Service Reserve Fund to make up any deficiencies in the Debt Service Fund, the Authority will require the University to pay pursuant to the Loan Agreement, as requested by the Trustee, the amount necessary to maintain in the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Fund Requirement on the Outstanding Bonds, such amount to be paid by the University within one hundred eighty (180) days, following receipt by the University of written notice from the Trustee.

(d) If Bonds secured by the Debt Service Reserve Fund are paid or redeemed in part or in full, the amount required to be maintained in the Debt Service Reserve Fund shall be reduced to an amount equal to the Debt Service Reserve Fund Requirement on the Bonds so secured and Outstanding thereafter.

(e) If the value of investments held in the Debt Service Reserve Fund calculated pursuant to Section 4.4 hereof, falls below the Debt Service Reserve Fund Requirement on the Bonds secured by the Debt Service Reserve Fund, the Trustee shall notify the University of such deficiency and the University shall pay such deficiency as additional payments under the Loan Agreement when so requested by the Trustee. If such deficiency occurs as a result of a decline in value of the Debt Service Reserve Fund as calculated pursuant to Section 4.4 hereof, funds sufficient to meet the Debt Service Reserve Fund Requirement for the Bonds shall be deposited into the Debt Service Reserve Fund in three consecutive equal monthly installments, the first of which shall be due on the first day of the month succeeding such notice from the Trustee. If at any time the value of the investments exceeds the Debt Service Reserve Fund Requirement on the Bonds secured by the Debt Service Reserve Fund, the University shall be entitled to withdraw the amount of such excess by a transfer by the Trustee of such excess amount to the Debt Service Fund; provided, however, that upon liquidation of any investments to effect such payment or transfer, the value of the remaining investments in the Debt Service Reserve Fund is not less than the Debt Service Reserve Fund Requirement on the Bonds secured by the applicable account of the Debt Service Reserve Fund.

Section 4.4 Investment of Funds. All moneys received by the Trustee under this Indenture shall be deposited with the Trustee, until or unless invested or deposited as provided in this Section. All deposits with the Trustee (whether original deposits or deposits or redeposits in time accounts) shall be secured as required by applicable law for such trust deposits.

Moneys in the Project Fund, the Debt Service Fund and the Debt Service Reserve Fund (except moneys representing principal of, premium, if any, or interest on any Bonds which are deemed paid under Section 9.2) shall be invested and reinvested by the Trustee (a) at the written direction of an Authorized Representative of the University, and so long as no Event of Default has occurred and is continuing under this Indenture, in Investment Securities that the University's Authorized Representative assures meet the requirements of Sections 5.10 and 5.11 of the Loan Agreement or (b) absent written direction from the University, shall be held uninvested and without liability for interest. Moneys in the Debt Service Fund representing principal of, premium, if any, or interest on any Bonds which are deemed paid under Section 9.2 shall be invested only if and as provided in Section 9.2.

Investments of moneys in the Debt Service Fund shall mature or be redeemable at the direction of the University at the times and in the amounts necessary to provide moneys to make Debt Service payments as they become due on Interest Payment Dates, at stated maturity or by redemption. The Trustee shall sell or redeem investments credited to the Debt Service Fund to produce sufficient moneys available hereunder at the times required for the purpose of paying Debt Service when due as aforesaid, and shall do so without necessity for any order by or on behalf of the Authority or the University and without restriction by reason of any order.

Each investment of moneys deposited in the Project Fund for application to the Project Costs shall mature or be redeemable by the Trustee at the written direction of the University at such time as may be foreseeably necessary to make payments from the Project Fund.

Any investment of moneys in any fund established under this Indenture may be purchased from or through, or sold to, the Trustee or any affiliate with the Trustee; and any such investment made through the purchase of shares of a fund described in clause (a), (b) or (e) of the definition of Investment Securities may be in a fund which is advised or administered by the Trustee or any affiliate of the Trustee (for which services the Trustee or such affiliate, as the case may be, may receive a fee). The Trustee shall conclusively rely upon the University's written instructions as to both the suitability and legality of all directed investments. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Trustee shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Indenture. The Trustee is not providing investment supervision, recommendations, or advice to the Authority or the University. Although the Authority and the University each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority and the University hereby agree that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

Moneys in the Rebate Fund shall be invested and reinvested by the Trustee at the written direction of an Authorized Representative of the University in Government Obligations maturing, or subject to redemption by the Registered Owner at not less than the principal amount thereof or the cost of acquisition, whichever is lower, on or before the date or dates when the payments for which such moneys are held are to become due.

Any investment made from moneys credited to any fund established hereunder shall constitute part of that respective fund. Each fund established hereunder shall be credited with all proceeds of sale and income from the respective investment of moneys credited to such Fund, except that interest and income derived from any investments or deposits in the Debt Service Reserve Fund may be transferred to the Debt Service Fund to make up any deficiency therein.

The value of Investment Securities in any fund established hereunder shall be determined as follows:

(a) For the purpose of determining the amount in any fund, all Investment Securities credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from information derived from accepted industry providers.

(b) As to certificates of deposit and bankers' acceptances, the value thereof shall be the face amount thereof, plus accrued interest thereon; and

(c) As to any Investment Securities not specified above, the value thereof shall be established by prior agreement among the University and the Trustee.

Section 4.5 Debt Service Fund Moneys to be Held in Trust. Pledged Revenues and investments thereof in the Debt Service Fund shall, until applied as provided in this Indenture, be held by the Trustee for the benefit of the Registered Owners of the Outstanding Bonds in such Debt Service Fund, except that any portion of the Pledged Revenues representing principal of and interest on any Bonds which have matured or been called for redemption in accordance with Article III or for which provision for payment has been made pursuant to Section 9.2 hereof, shall be held for the benefit of the Registered Owners of such Bonds only.

Section 4.6 Nonpresentment of Bonds. In the event that any Bond shall not be presented for payment when the principal thereof becomes due in whole or in part, either at stated maturity or by redemption, or a check or draft for interest is uncashed, all liability of the Authority to that Registered Owner for such Bond or such check or draft shall thereupon cease and be discharged completely; provided that moneys sufficient to pay the principal of, premium, if any, and accrued interest then due on that Bond or such check or draft shall have been made available to the Trustee, with written direction to the Trustee that such moneys are to be held by the Trustee for the benefit of its Registered Owner.

Section 4.7 Creation of Rebate Fund. There is established with the Trustee a fund designated the "Rebate Fund." Any provision hereof to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien hereunder. The Trustee and the Authority shall keep records of the computations made pursuant to this Section that are filed with them until six years after the retirement of the last Bond.

In accordance with the Loan Agreement, the University shall determine, or furnish information to a Financial Consultant to determine, the amount of Excess Earnings as of the following dates: (i) a date selected by the University that is not later than five years after the date of issuance of the Bonds, (ii) the last day of each succeeding five year period following such date on which there are Bonds outstanding, and (iii) the date on which the last Bond matures or is redeemed (each a "Computation Date"). Notice of such determination shall be provided to the Trustee and the Authority. Upon receipt of such notice, the Trustee shall notify the University in writing of the amount then on deposit in the Rebate Fund. If the amount then on deposit in the Rebate Fund is in excess of the Excess Earnings as determined by the University or the Financial Consultant, the Trustee shall at the written direction of the University forthwith pay that excess amount to the University. If the amount then on deposit in the Rebate Fund is less than such Excess Earnings, the University shall, within five days after receipt of the aforesaid notice from the Trustee (but in no event more than sixty (60) days after the Computation Date), pay to the Trustee for deposit in the Rebate Fund an amount sufficient to cause the Rebate Fund to contain an amount equal to such Excess Earnings. If the University does not pay that required amount within five days after receipt of the aforesaid notice from the Trustee (but in no event more than sixty (60) days after the Computation Date), the Trustee shall immediately transfer that amount from the Project Fund or from the Debt Service Reserve Fund to the Rebate Fund to the extent there are moneys available in either thereof. Within 60 days following each Computation Date, the Trustee, acting at the written direction of the University and on behalf of the Authority and the University, shall pay to the United States (in such manner and accompanied by such forms as

the University shall deliver) from the moneys then on deposit in the Rebate Fund an amount equal to 90% (or such greater percentage not in excess of 100% as the University may direct the Trustee to pay) of the Excess Earnings earned from the date of the original delivery of the 2017 Bonds to the Computation Date. Within 60 days after the payment in full of all outstanding 2017 Bonds, the Trustee shall pay to the United States (in such manner and accompanied by such forms as the University shall deliver) from the moneys then on deposit in the Rebate Fund an amount equal to 100% of the Excess Earnings earned from the date of the original delivery of the Bonds to the date of such payment (less the amount of Excess Earnings, if any, previously paid to the United States pursuant to this Section) and any moneys remaining in the Rebate Fund following such payment shall be paid to the University. All computations of Excess Earnings pursuant to this Section and the Loan Agreement shall treat the amount or amounts, if any, previously paid to the United States pursuant to this Section as amounts on deposit in the Rebate Fund.

If all the gross proceeds of the Bonds, within the meaning of Section 148(f) of the Code, together with the gross proceeds of any other obligations treated as part of the same issue for purposes of Section 148(f) of the Code, are invested solely in tax-exempt obligations or are fully expended for the governmental purpose for which the Bonds were issued within six months of the date of issuance of the Bonds, or if the Bonds qualify for the exemption from rebate by virtue of the 18-month spend-out exception or the two-year construction issue rebate exception under Section 148 of the Code and the regulations promulgated thereunder, then the provisions of this Section and the Loan Agreement shall not be applicable to the investment of original proceeds of the Bonds and the University shall not be required to comply with the foregoing provisions of this Section with respect to such proceeds; provided that the University shall remain responsible to determine Excess Earnings, if any, and to cause to be paid to the Trustee for deposit in the Rebate Fund and payment to the United States such amounts, if any, at such times as may be necessary to comply with the requirements of Section 148(f) of the Code with respect to the Bonds.

(End of Article IV)

ARTICLE V
COVENANTS AND REPRESENTATIONS OF THE AUTHORITY

Section 5.1 Corporate Existence; Compliance with Laws. The Authority covenants and represents that it shall: maintain its corporate existence; use its best efforts to maintain all its rights, powers, privileges and franchises; and comply with all valid and applicable laws, rules, regulations, orders, requirements and binding directions of any legislative, executive, administrative or judicial body relating to the Authority's participation in the Project or the issuance of the 2025A Bonds.

Section 5.2 Payment of Debt Service. The Authority will pay all Debt Service, or cause it to be paid, but solely from the sources provided herein, on the dates, at the places and in the manner provided in this Indenture.

Section 5.3 No Further Assignment of Pledged Revenues. The Authority will not assign the Pledged Revenues or create any debt, lien or charge thereon, other than the assignment thereof under this Indenture or as may otherwise be permitted under the Loan Agreement.

Section 5.4 Rights and Enforcement of Loan Agreement. The Trustee may enforce, in its name or in the name of the Authority, all rights of the Authority for and on behalf of the Registered Owners, and may enforce all covenants, agreements and obligations of the University under and pursuant to the Loan Agreement, regardless of whether the Authority is in default in the pursuit or enforcement of those rights, covenants, agreements or obligations; provided however, that the Authority shall at all times have the sole right to enforce the Unassigned Authority's Rights. The Authority will, upon direction from the Trustee, the University, or the Registered Owners, take all actions within its authority to keep the Loan Agreement in effect in accordance with the terms thereof.

Section 5.5 Further Assurances. Except to the extent otherwise provided in this Indenture, the Authority shall not enter into any contract or take any action by which the rights of the Trustee or the Registered Owners 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 this Indenture.

Section 5.6 Authority Not to Adversely Affect Tax-Exempt Status. The Authority covenants that it shall, upon the direction from the Trustee, the University or the Registered Owners, take, or cause to be taken, all actions that may be required of the Authority for the interest on the Bonds to be and remain excluded from the gross income of the Registered Owners for federal income tax purposes, and shall not knowingly take any actions which would adversely affect that exclusion under the provisions of federal tax laws that apply to the Bonds.

Section 5.7 Bonds Not to Become Arbitrage Bonds. The Authority covenants for the benefit of the Registered Owners from time to time of the Bonds that it will not knowingly act so as to cause the proceeds of the Bonds, any moneys derived, directly or indirectly, from the use or investment thereof and any other moneys on deposit in any fund or account maintained in respect of the Bonds (whether such moneys were derived from the proceeds of the sale of the Bonds or from other sources) to be used in a manner which could cause the Bonds to be treated as “arbitrage bonds” within the meaning of the Code. The University by its execution of the Loan Agreement has covenanted to restrict the investment or other use of money in the funds created under this Indenture in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Bonds are delivered to their original purchaser, so that the Bonds will not constitute “arbitrage bonds” under the Code, and the Trustee hereby agrees to comply with the University’s written instructions to such end with respect to the investment of money in the Funds and Accounts created under this Indenture.

The Authority acknowledges that the Bonds are part of the Authority’s program of making loans to 501(c)(3) organizations from the proceeds of the Authority’s bonds and covenants that it will not make a loan of the proceeds of its bonds to any 501(c)(3) organization unless such 501(c)(3) organization covenants that it will not purchase or permit any “related person” (within the meaning of Code section 147(a)(2)) to purchase Authority bonds in an amount related to the amount of the bonds issued for its benefit, unless and until it receives an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the bonds to be purchased.

Section 5.8 Observance and Performance Agreements. The Authority will observe and perform faithfully at all times covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under the Loan Agreement, this Indenture and the Bonds, and under all proceedings of the Authority pertaining thereto.

Section 5.9 Representations and Warranties. The Authority represents and warrants that:

(a) It is duly authorized by the laws of the Commonwealth, including the Act, to issue the Bonds, to execute and deliver this Indenture and the Loan Agreement and to provide the security for payment of the Debt Service in the manner and to the extent set forth in this Indenture.

(b) All actions required on its part to be performed for the issuance, sale and delivery of the Bonds and for the execution and delivery of this Indenture and the Loan Agreement have been or will be taken duly and effectively.

(c) The Bonds will be valid and binding limited obligations of the Authority according to their terms.

(End of Article V)

ARTICLE VI
DEFAULT AND REMEDIES

Section 6.1 Defaults; Events of Default. The occurrence of any of the following events is defined as and declared to be and to constitute an Event of Default hereunder:

(a) Failure to pay the principal of or any premium on any Bond when such principal or premium shall become due and payable, whether at stated maturity, by redemption, by acceleration or otherwise;

(b) Failure to pay any interest on any Bond when such interest shall become due and payable;

(c) Failure by the Authority to comply with the provisions of the Act relating to the Bonds or the Project or any Projects, or to observe or perform any other covenant, agreement or obligation on its part to be observed or performed and which is contained in this Indenture or in the Bonds, which failure shall have continued for a period of 60 days after written notice, by registered or certified mail, to the Authority and the University specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Registered Owners of not less than the 25% in aggregate principal amount of Bonds outstanding;

(d) [Reserved];

(e) The occurrence and continuance of an Event of Default as defined in the Loan Agreement.

Section 6.2 Notice of Default. If any other Event of Default shall occur of which a Responsible Officer of the Trustee has notice or is deemed to have notice pursuant to Section 7.2(f) hereof, the Trustee shall give written notice of the Event of Default by registered or certified mail to the Authority, the Registered Owners of all Bonds outstanding as shown by the Register, and the University within five (5) days after a Responsible Officer of the Trustee has received or is deemed to have received notice of such Event of Default.

Section 6.3 Acceleration. Upon the occurrence and during the continuance of any Event of Default, the Trustee may, and upon written direction of the Registered Owners of a majority in principal amount of the Bonds then outstanding, shall, declare, by a notice in writing delivered to the Authority and the University, the principal of all Bonds outstanding (if not then already due and payable), together with interest accrued thereon, to be due and payable immediately. Upon any declaration that the principal of and interest on the Bonds are due and payable immediately, such principal and interest shall become and be due and payable immediately. The Trustee promptly after such declaration shall give notice thereof to all Registered Owners of the Bonds in the same manner as provided in Section 3.4 with respect to redemption of the Bonds, except that there shall be no minimum period of notice prior to the date of payment. Such notice shall specify the date, if known, on which payment of principal and interest shall be tendered to the Registered Owners of the Bonds. Upon any such declaration hereunder, the Trustee shall immediately exercise such rights as it may have under the Loan Agreement to declare all payments thereunder to be immediately due and payable.

If, after the principal of the Bonds has been so declared to be due and payable, all arrears of principal of and interest on the Bonds outstanding are paid, and the Authority and the University also perform all other things in respect of which either of them may have been in default hereunder or under the Loan Agreement and the University pays the reasonable fees and charges of the Trustee, including reasonable attorney's fees, costs and expenses, then, and in every such case, the Trustee or the Registered Owners of a majority in principal amount of the Bonds then outstanding, by notice to the Authority and the University (and to the Registered Owners or the Trustee, as the case may be) may annul such declaration and its consequences, and such annulment shall be binding upon the Trustee and all Registered Owners; provided that no annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

Section 6.4 Other Remedies; Rights of Registered Owners. With or without taking action under Section 6.3, upon the occurrence and during the continuance of an Event of Default, the Trustee may, except as otherwise provided in Section 7.2 hereof, pursue any available remedy to enforce the payment of Debt Service or the observance and performance of any other covenant, agreement or obligation under this Indenture, the Loan Agreement or any other instrument providing security, directly or indirectly, for the Bonds; provided that, if the University shall be in breach of Section 5.10 of the Loan Agreement, the Authority, upon five (5) days written notice to the University and the Trustee, in addition to any rights and remedies of the Trustee, may independently seek specific performance or otherwise enforce the covenants set forth in such Section; provided further that nothing herein shall be construed to require the Trustee to seek specific performance or otherwise enforce the covenants in such Section or to diminish, impair or otherwise limit the rights of the Trustee to enforce the Loan Agreement.

If any Event of Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of Registered Owners of a majority in principal amount of all Bonds outstanding and receipt of indemnity to its satisfaction shall, in its own name:

- (a) Bring suit upon the Bonds;
- (b) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners; and
- (c) Enforce (or, if appropriate, direct the Collateral Agent to enforce) each and every right and remedy granted to or for the benefit of the Trustee under any of the Shared Security Documents.

If an Event of Default under Subsection 6.1(e) occurs and is continuing, the Trustee in its discretion may, and upon the written request of Registered Owners of a majority in principal amount of all Bonds outstanding and upon receipt of indemnity to its satisfaction shall, enforce each and every right granted to it as assignee of the Loan Agreement.

No remedy conferred upon or reserved to the Trustee (or to the Registered Owners) by this Indenture is intended to be exclusive of any other remedy. Each remedy shall be

cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Trustee or to the Registered Owners now or hereafter existing.

No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Registered Owners, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

As the grantee of a security interest in the Loan Agreement (except for the Unassigned Authority's Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Authority under the Loan Agreement. In exercising any remedy, right or power thereunder or hereunder, the Trustee shall take any action which would best serve the interests of the Registered Owners in the judgment of the Trustee (which may be based on the advice of its Counsel), applying the standards described in Sections 7.1 and 7.2.

When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 6.5 Right of Registered Owners to Direct Proceedings. The Registered Owners of a majority in principal amount of the Bonds then Outstanding hereunder shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided such directions shall not be otherwise than in accordance with law or the provisions hereof and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Registered Owners not parties to such direction.

Section 6.6 Application of Moneys. After payment of any fees, costs, expenses, liabilities and advances of, paid, incurred or made by the Trustee, including those in the collection of moneys pursuant to any right given or action taken under the provisions of this Article or the provisions of the Loan Agreement (including, without limitation, reasonable attorney's fees, costs and expenses, except as limited by law or judicial order or decision entered in any action taken under this Article) and any amount required pursuant to Section 4.7, all moneys so received by the Trustee, shall be applied as follows, subject to Section 3.5, Section 4.4, and Section 4.5:

(a) Unless the principal of all of the Bonds shall have become, or shall have been declared to be, due and payable, all of such moneys shall be deposited in the Debt Service Fund and shall be applied:

First — To the payment to the Registered Owners entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Registered Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Second — To the payment to the Registered Owners entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), whether at stated maturity or by redemption, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they became due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Registered Owners entitled thereto, without any discrimination or privilege.

The surplus, if any, remaining after the application of the moneys as set forth above shall be paid to the University or the person lawfully entitled to receive the same as a court of competent jurisdiction may direct.

(b) If the principal of all of the Bonds shall have become due or shall have been declared to be due and payable pursuant to this Article, all of those moneys shall be deposited into the Debt Service Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Registered Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds shall have been declared to be due and payable pursuant to this Article, and if that declaration thereafter shall have been rescinded and annulled under the provisions of Section 6.3 or 6.10 subject to the provisions of paragraph (b) of this Section in the event that the principal of all of the Bonds shall become due and payable later, the moneys shall be deposited in the Debt Service Fund and shall be applied in accordance with the provisions of Article IV.

(d) Whenever moneys are to be applied pursuant to the provisions of this Section, those moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of moneys available for application and the likelihood of additional moneys becoming available for application in the future. Whenever the Trustee shall direct the application of those moneys, it shall fix the date upon which the application is to be made (and with respect to acceleration such date shall be fixed in accordance with Section 6.3), and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the moneys are available therefor. The Trustee shall give notice of the deposit with it of any moneys and of the fixing of that date, all consistent with the

requirements of Section 2.8 for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. Except as otherwise provided in Section 2.10, the Trustee shall not be required to make payment of principal of and any premium on a Bond to the Registered Owner thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

Section 6.7 Remedies Vested in Trustee. All rights of action (including without limitation, the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Registered Owners as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Registered Owners of the outstanding Bonds, subject to the provisions of this Indenture.

Section 6.8 Rights and Remedies of Registered Owners. A Registered Owner shall not have any right to institute any suit, action or proceeding for the enforcement of this Indenture, for the execution of any trust hereof, or for the exercise of any other remedy hereunder, unless:

(a) there has occurred and is continuing an Event of Default of which a Responsible Officer of the Trustee has been notified, as provided in Subsection 7.2(f), or of which it is deemed to have notice under that Subsection,

(b) the Registered Owners of at least a majority in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in Section 7.1 and Section 7.2.

(c) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name.

At the option of the Trustee, such notification (or notice), request, opportunity and offer of indemnity are conditions precedent in every case, to the institution of any suit, action or proceeding described above.

No one or more Registered Owners shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of this Indenture by its or their action, or to enforce, except in the manner provided herein, any remedy, right or power hereunder. Any suit, action or proceeding shall be instituted, had and maintained in the manner provided herein for the benefit of the Registered Owners of all Bonds outstanding. Notwithstanding the foregoing provisions of this Section or any other provision of this Indenture, the obligation of the Authority shall be absolute and unconditional to pay hereunder, but solely from the Pledged Revenues and other funds pledged under this Indenture, the principal or redemption price of, and interest on, the Bonds to the respective Registered Owners thereof on the respective due dates thereof, and

nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Registered Owners to enforce such payment.

Section 6.9 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any remedy, right or power under this Indenture in any suit, action or proceeding, and the suit, action or proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Authority, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no suit, action or proceeding had been taken.

In the event that the Pledged Revenues shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Pledged Revenues, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to the Authority, to Registered Holders or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 6.10 Waivers of Events of Default. Except as hereinafter provided, at any time, in its discretion, the Trustee may (and upon the written request of the Registered Owners of a majority in aggregate principal amount of all Bonds outstanding, shall) waive any Event of Default with respect to the Bonds hereunder and its consequences and annul any corresponding acceleration of maturity of principal of the Bonds. There shall not be so waived, however, any Event of Default described in Subsection 6.1(a), (b) or (e) nor shall any acceleration in connection therewith be annulled, unless at the time of that waiver or annulment payments of the amounts and satisfaction of the other conditions provided in Section 6.3 for annulment have been made or provision has been made therefor. No waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 6.11 Certain Rights of Authority. Notwithstanding any other provision hereof, upon the occurrence of an Event of Default described in Subsection 6.1(e) hereof, the Authority reserves the right to exercise or refrain from exercising remedies under the Loan Agreement with respect to such Event of Default and such Event of Default may not be waived or annulled without the prior written consent of the Authority.

Section 6.12 Trustee's Right to Appointment of Receiver. As provided by the Act, the Trustee shall be entitled as of right to the appointment of a receiver; and the Trustee, the Registered Owners and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act.

Section 6.13 Trustee and Registered Owners Entitled to All Benefits Under Act. It is the purpose of this Article to provide such remedies to the Trustee and the Registered Owners as may be lawfully granted under the provisions of the Act, but should any remedy

herein granted be held unlawful, the Trustee and the Registered Owners shall nevertheless be entitled to every remedy provided by the Act. It is further intended that, insofar as lawfully possible, the provisions of this Article shall apply to and be binding upon any trustee or receiver appointed under the Act.

(End of Article VI)

ARTICLE VII TRUSTEE

Section 7.1 Trustee's Acceptance and Responsibilities. The Trustee accepts the trusts imposed upon it by this Indenture, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto, the University and the Registered Owners agree. In its capacity as Trustee hereunder, the Trustee shall authenticate the Bonds and shall act as registrar, transfer agent and paying agent for the Bonds, all as provided herein.

(a) Prior to the occurrence of an Event of Default of which the Trustee has been notified, or of which the Trustee is deemed to have notice, as provided in Subsection 7.2(f), and after the cure or waiver of all defaults or Events of Default which may have occurred,

(i) the Trustee undertakes to perform such duties and only such duties as are set forth specifically and expressly set forth in this Indenture. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of gross negligence on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case a default or an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified, or is deemed to have notice as provided in Section 7.2 (f)), the Trustee shall exercise those rights and powers vested in it by this Indenture and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of its own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, its own willful misconduct, except that

(i) this Subsection shall not be construed to affect the limitation of the Trustee's duties and obligations provided in Subsection 7.1(a)(i) or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in Subsection 7.1(a)(ii);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by any of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Registered Owners of not less than a majority in principal amount of the Bonds then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; provided that this clause (iv) shall not relieve the Trustee of its duties with respect to making payments on the Bonds when due from funds available under this Indenture.

(d) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

(e) The Trustee accepts and agrees to perform any and all duties which are imposed upon the Trustee under DTC's Operational Arrangements.

Section 7.2 Certain Rights and Obligations of Trustee. The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, or receivers and shall not be responsible for any willful misconduct or negligence on the part of any attorney, agent or receiver appointed by the Trustee with due care, (ii) shall be entitled to the advice of counsel concerning all matters of trusts hereof and duties hereunder, and (iii) may pay reasonable compensation in all cases to all of those attorneys, agents, receivers and employees reasonably employed by it in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority or the University) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon that opinion or advice. The Trustee may, at the expense of the University, request, rely on and act in accordance with Officer's Certificates and/or opinions of counsel, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such Officer's Certificates and opinions of counsel.

(b) Except for its certificate of authentication on the Bonds and for any certificates delivered by the Trustee in connection with closing on the Bonds, the Trustee shall not be responsible for (i) any recital in this Indenture or in the Bonds, (ii) the validity, priority, recording, rerecording, filing or refiling of this Indenture or any Supplemental Indenture, (iii) any instrument or document of further assurance or collateral assignment, (iv) the initial financing statements and any required continuation statements, (v) the validity of the execution by the Authority of this Indenture, any Supplemental Indenture or instruments or documents of further assurance, (vi) the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or (vii) the maintenance of the security hereof. The Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Indenture and the Loan Agreement to the

extent hereinafter described, whether or not an original or a copy of such agreement has been provided to the Trustee. The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, agreements or obligations on the part of the Authority or the University under the Loan Agreement except as set forth hereinafter; but the Trustee may require of the Authority or the University full information and advice as to the observance or performance of those covenants, agreements and obligations. Except as otherwise provided in Section 6.4, the Trustee shall have no obligation to observe or perform any of the duties of the Authority under the Loan Agreement. Notwithstanding anything to the contrary contained in this Indenture or any Supplemental Indenture, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless a Responsible Officer of the Trustee shall have been notified in writing by the Authority or the University that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (i) conclusively relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto and (ii) filing any such financing or continuation statements in the same filing offices as the initial filings were made. The Trustee shall cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Bonds which was filed at the time of the issuance thereof in the form prepared by or on behalf of the University and timely provided to the Trustee, in such manner and in such places as the initial filings were made. The University shall be responsible for the reasonable costs incurred by the Trustee in the filing of all continuation statements provided to the Trustee for filing hereunder, including attorney's fees, costs and expenses, if any. The Trustee has no duty to review any continuation statement submitted to the Trustee with instructions for filing and may rely on a third-party filing service for any such filings without liability for any defects that may exist in the filing.

(c) The Trustee shall not be accountable for the application by the Authority or any other person of the proceeds of any Bonds authenticated or delivered hereunder.

(d) The Trustee shall conclusively rely upon and shall be fully protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who is the Registered Owner of any Bonds at the time of making the request or giving the authority or consent, shall be conclusive and binding upon all future Registered Owners of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact for which the Authority or the University may be responsible or as to the sufficiency or validity of any instrument, document, report, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed on behalf of the Authority or the University by an Authorized Representative or authorized officer thereof, as applicable, as sufficient evidence of the facts recited therein. Prior to the occurrence of a default or Event of Default hereunder of which the Trustee has been

notified, as provided in Section 7.2(f) or of which by that Section the Trustee is deemed to have notice, the Trustee may accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient; provided that the Trustee in its discretion may require and obtain any further evidence which it deems to be necessary or advisable; and provided further that the Trustee shall not be bound to secure any further evidence. The Trustee may accept a certificate of the officer, or an assistant thereto, having charge of the appropriate records, to the effect that a resolution has been adopted by the Authority or the University in the form recited in that certificate, as conclusive evidence that the resolution has been duly adopted and is in full force and effect.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, except Events of Default described in Section 6.1(a) and Section 6.1(b) unless a Responsible Officer of the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the Authority or the Registered Owners of at least 10% of the aggregate principal amount of Bonds outstanding or otherwise has actual knowledge thereof. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default, except as noted above.

(g) At any reasonable time, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives (i) may inspect and copy fully all books, papers and records of the Authority pertaining to the Project and the Bonds, and (ii) may make any memoranda from and in regard thereto as the Trustee may desire.

(h) The Trustee shall not be required to give any bond or surety with respect to the execution of these trusts and powers or otherwise in respect of the premises.

(i) Notwithstanding anything contained elsewhere in this Indenture or in the Loan Agreement to the contrary, the Trustee may reasonably request, at the expense of the University, any showings, certificates, reports, opinions, appraisals and other information, and any corporate action and evidence thereof, in addition to that required by the terms hereof, as a condition to the authentication of any Bonds or the taking of any action whatsoever within the purview of this Indenture, if the Trustee deems it to be desirable for the purpose of establishing the right of the Authority to the authentication of any Bonds or the right of any Person to the taking of any other action by the Trustee; provided that the Trustee shall not be required to make any such request.

(j) Before taking action hereunder pursuant to Section 7.4 or Article VI, the Trustee may require that a satisfactory indemnity bond be furnished to it for the reimbursement of all expenses which it may incur (including attorney's fees, costs and expenses) and to protect it against all liability by reason of any action so taken, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances, except liability which is adjudicated to have resulted from its negligence, or willful misconduct. The Trustee may, but shall not be required to, take action without that indemnity, and in that case, the Authority shall cause the University to reimburse the Trustee for all of the Trustee's expenses pursuant to Section 7.3.

(k) Unless otherwise provided herein, all moneys received by the Trustee under this Indenture shall be held in trust for the purposes for which those moneys were received, until those moneys are used, applied or invested as provided herein; provided that those moneys need not be segregated from other moneys, except to the extent required by this Indenture or by law. The Trustee shall not have any liability for interest on any moneys received hereunder, except to the extent expressly provided herein or agreed with the Authority or the University.

(l) Any resolution of the Authority, and any opinions, certificates and other instruments and documents for which provision is made in this Indenture, may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions taken hereunder.

(m) Notwithstanding any provision of this Indenture to the contrary, the Trustee shall not be liable or responsible for the accuracy of any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code, including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of Section 148 of the Code, the maximum amount which may be invested in “nonpurpose obligations” as defined in the Code and the fair market value of any investments made hereunder, and the sole obligation of the Trustee with respect to the investments of funds hereunder shall be to invest the moneys received by the Trustee as provided herein pursuant to the written instructions of the University.

(n) At the written request of any Registered Owner or beneficial owner of the Bonds, the Trustee shall (i) request the University to provide the Trustee with copies of such financial statements and reports as the Trustee may be entitled to receive pursuant to Section 5.2 of the Loan Agreement and (ii) provide to such Registered Owner or beneficial owner at such Person’s expense copies of any financial statements and reports received by the Trustee pursuant to Section 5.2 of the Loan Agreement and/or any notices of litigation received by the Trustee pursuant to Section 5.6 of the Loan Agreement. The Trustee shall have no duty to review or analyze any such financial statements delivered to it or verify the accuracy thereof and shall hold such financial statements solely as a repository for the benefit of the holders of the Bonds; the Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner.

(o) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(p) Except as otherwise expressly provided hereunder, the Trustee shall not be required to give or furnish any notice, demand, report, reply, statement advice or opinion to any Registered Owner, the Authority, the University or any other person, and the Trustee shall not incur any liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof.

(q) In acting or omitting to act pursuant to the Loan Agreement, the Trustee shall be entitled to all of the rights and immunities accorded to it under this Indenture, including

but not limited to this Article VII. In no event shall the Trustee be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage or regardless of the form of action.

(r) The Trustee shall not be liable with respect to any action taken or omitted to be taken at the direction of the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding permitted to be given by them under this Indenture.

(s) The Trustee shall have no responsibility with respect to any information in any offering memorandum or other disclosure material distributed with respect to the Bonds (other than information regarding the Trustee furnished by the Trustee) or for compliance with securities laws in connection with the issuance and sale of the Bonds.

(t) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture or any Supplemental Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods or other storms; wars; terrorism; civil or military disturbances; sabotage; epidemics or pandemics and related restrictions of any governmental authority; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking and trust industries to resume performance as soon as reasonably practicable under the circumstances.

(u) The Trustee shall have the right to accept and act upon directions or instructions given pursuant to this Indenture, any Supplemental Indenture, the Loan Agreement or any other document reasonably relating to the Bonds and delivered using Electronic Means (defined below); provided, however, that the Authority or the University, as the case may be, shall provide to the Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions or instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Authority or the University elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustees' understanding of such directions or instructions shall be deemed controlling. The Authority and the University each understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority and the University, as the case may be, shall each be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any

losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. Each of the Authority and the University agree: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

(v) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Authority, the University, or any other party, or any of their directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

Section 7.3 Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment or reimbursement by the University, as provided in the Loan Agreement, for reasonable fees for the Ordinary Services of the Trustee and its agents rendered hereunder and for all reasonable and documented advances, counsel fees, costs and expenses and other Ordinary Expenses paid or incurred by it and its agents in connection with the provision of Ordinary Services. For purposes hereof, fees for Ordinary Services provided for by their respective standard fee schedule or other fee arrangement shall be considered reasonable. In the event that it should become necessary for any of them to perform Extraordinary Services, they shall be entitled to reasonable extra compensation therefor and to reimbursement for Extraordinary Expenses incurred in connection therewith. The Trustee shall not be entitled to compensation or reimbursement for Extraordinary Services or Extraordinary Expenses occasioned by its negligence or willful misconduct.

The fees for the Trustee's Ordinary Services and Ordinary Expenses and Extraordinary Service and Extraordinary Expenses shall be entitled to payment and reimbursement only from (i) the Project Fund, (ii) Additional Payments made by the University pursuant to the Loan Agreement, (iii) according to Section 6.6 hereof, or (iv) from other moneys available therefor. Any amounts payable to the Trustee pursuant to this Section shall be payable upon demand and shall bear interest from five Business Days following the date of demand therefor at the lesser of (i) Trustee's or its primary banking affiliate's then effective prime rate or (ii) the highest amount then allowed by law.

Section 7.4 Intervention by Trustee. The Trustee may intervene on behalf of the Registered Owners, and shall intervene if requested to do so in writing by the Registered Owners of at least 25% of the aggregate principal amount of Bonds outstanding, in any judicial proceeding involving any Bonds to which the Authority or the University is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Registered Owners of the Bonds. The rights and obligations of the Trustee under this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond be provided to it in accordance with Sections 7.1 and 7.2 before it takes action hereunder.

Section 7.5 Successor Trustee. Anything herein to the contrary notwithstanding,

(a) any corporation or association (i) into which the Trustee may be converted or merged, (ii) with which the Trustee or any successor to it may be consolidated, or (iii) to which the Trustee may sell or transfer its corporate trust assets and trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, ipso facto, shall be and become successor Trustee hereunder and shall be vested with all of the title to the whole property or trust estate hereunder; and

(b) that corporation or association, as successor Trustee, shall be vested further, as was its predecessor, with each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by, vested in or conveyed to the Trustee, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

Any such successor Trustee, however, (i) shall be a trust company, a national association or a bank having the powers of a trust company, (ii) shall be duly authorized to exercise trust powers within the Commonwealth, (iii) shall have a reported capital and surplus of not less than \$75,000,000, and (iv) shall not be a Disqualified Contractor.

Section 7.6 Resignation by Trustee. The Trustee may resign at any time from the trusts created hereby by giving written notice of the resignation to the Authority and the University and by mailing written notice of the resignation to the Registered Owners as their names and addresses appear on the Register at the close of business 15 days prior to the mailing. The resignation shall take effect only upon the appointment of a successor Trustee.

Section 7.7 Removal of Trustee. The Trustee may be removed at any time by an instrument or document or concurrent instruments or documents delivered to the Trustee at least thirty (30) days prior to the date of removal, with copies thereof mailed to the Authority, and the University, signed by or on behalf of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds outstanding. So long as no Event of Default has occurred and is continuing hereunder or under the Loan Agreement, the Trustee may be removed at any time by an instrument or document executed by an Authorized Representative of the University and delivered to the Trustee and the Authority at least thirty (30) days prior to the

date of removal. The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Authority or the Registered Owners of not less than 25% in aggregate principal amount of the Bonds outstanding.

The removal of the Trustee pursuant to this Section shall take effect only upon the appointment of a successor Trustee.

Section 7.8 Appointment of Successor Trustee. If (i) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (ii) the Trustee shall be taken under the control of any public agency, or (iii) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by the University, with the written consent of the Authority and, if an Event of Default has occurred and is continuing under this Indenture, shall not be unsatisfactory to Registered Owners of a majority in aggregate principal amount of Bonds Outstanding; provided that if a successor Trustee is not so appointed within 10 days after (a) a notice of resignation or an instrument or document of removal is received by the Authority, as provided in Section 7.6 and Section 7.7, respectively, or (b) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the University shall not have appointed a successor Trustee, the Registered Owners of a majority in aggregate principal amount of Bonds outstanding may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Registered Owners. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within sixty (60) days of the resignation, removal, incapability or the occurrence of a vacancy in the office of Trustee, the Registered Owner of any Bond outstanding or any retiring Trustee, at the expense of the University, may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Every successor Trustee appointed pursuant to this Section (i) shall be a trust company or a bank having the powers of a trust company, (ii) shall be duly authorized to exercise trust powers within the Commonwealth, (iii) shall have a reported capital and surplus of not less than \$75,000,000, and (iv) shall be willing to accept the trusteeship under the terms and conditions of this Indenture.

Every successor Trustee appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor, the Authority and the University, an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the trusts, properties, claims, demands, causes of action, immunities, estates, titles, interests and liens of its predecessor. Upon the reasonable written request of its successor or the Authority, the predecessor Trustee (i) shall execute and deliver an instrument or document transferring to its successor all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the predecessor Trustee hereunder, and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property (including, without limitation, all securities and moneys) held by it as Trustee. Should any instrument or

document in writing from the Authority be requested by any successor Trustee for vesting and conveying more fully and certainly in and to that successor the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens vested or conveyed or intended to be vested or conveyed hereby in or to the predecessor Trustee, the Authority shall execute, acknowledge and deliver that instrument or document.

In the event of a change in the Trustee, the predecessor Trustee shall cease to be custodian of any moneys which it may hold pursuant to this Indenture and shall cease to be registrar, transfer agent, authenticating agent and paying agent for the Bonds. The successor Trustee shall become custodian for moneys held under this Indenture and registrar, transfer agent, authenticating agent and paying agent as and to the extent provided herein.

Section 7.9 Adoption of Authentication. In case any of the Bonds shall have been authenticated, but shall not have been delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee and may deliver those Bonds so authenticated as provided herein. In case any Bonds shall not have been authenticated, any successor Trustee may authenticate those Bonds either in the name of any predecessor or in its own name. In all cases, the certificate of authentication shall have the same force and effect as provided in the Bonds or in this Indenture with respect to the certificate of authentication of the predecessor Trustee.

Section 7.10 Designation and Succession of Authenticating Agent, Registrar, Transfer Agent and Paying Agent. The Trustee may, with the consent of the Authority and the University, appoint an agent or agents, with power to act on the Trustee's behalf and subject to the Trustee's direction in the authentication, registration, transfer and exchange of Bonds and payment of Debt Service under the provisions of this Indenture; provided that any paying agent so appointed shall have and maintain a rating assigned to its or its parent holding company's long-term unsecured debt by Moody's at least equal to "Baa3" (if the Bonds are then rated by Moody's), by Standard & Poor's at least equal to "BBB-" (if the Bonds are then rated by Standard & Poor's), and by Fitch at least equal to "BBB-" (if the Bonds are then rated by Fitch), unless the Authority and the University receive written confirmation from the Rating Service that the appointment of a paying agent not meeting such rating requirement will not result in a reduction or withdrawal of its rating of the Bonds. For all purposes of this Indenture, the authentication, registration and delivery of Bonds by any such agent pursuant to this Section shall be deemed to be authentication, registration and delivery of those Bonds by the Trustee. Any corporation or association with or into which any such agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or conversion to which any such agent shall be a party, or any corporation or association succeeding to the corporate trust business of any such agent, shall be the successor of that agent hereunder, if that successor corporation or association is otherwise eligible hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto or such agent or such successor corporation.

Any such agent may at any time resign by giving written notice of resignation to the Trustee, the University and the Authority. The Trustee may at any time terminate the agency of any such agent by giving written notice of termination to such agent, the Authority and the

University. Upon receiving such a notice of resignation or upon such a termination, or in the case at any time any such agent shall cease to be eligible under this Section, the Trustee may appoint a successor agent. The Trustee shall give written notice of appointment of a successor agent to the Authority and the University and shall mail, within 10 days after that appointment, notice thereof to all Registered Owners as their names and addresses appear on the Register on the date of that appointment. The Trustee shall pay to any such agent from time to time reasonable compensation for its services, and the Trustee shall be entitled to be reimbursed for such payments as Ordinary Expenses, subject to Section 7.3.

The pertinent provisions of Subsections 7.2(b), (c), (d), (h) and (i) shall be applicable to any such agent.

Section 7.11 Dealing in Bonds. The Trustee, its affiliates, and any directors, officers, employees or agents thereof, in good faith, may become the owners of Bonds secured hereby with the same rights which it or they would have hereunder if the Trustee did not serve in such capacity. The Trustee and its affiliates may also engage in or be interested in any financial or other transaction with the Authority, the University, or any related party.

Section 7.12 Representations, Agreements and Covenants of Trustee. The Trustee hereby represents and covenants that it is a national banking association, duly authorized to exercise corporate trust powers in the Commonwealth, that it will take such action, if any, as is necessary to remain duly authorized to exercise corporate trust powers in the Commonwealth.

Section 7.13 Actions under Collateral Agency Agreement; Successor Collateral Agent; Release of Collateral. The Trustee is authorized and directed to execute such joinder agreements as may be necessary or appropriate in order for the Trustee to become a “Parity Obligee” under the Collateral Agency Agreement. The Trustee may take such actions as a “Parity Obligee” party to the Collateral Agency Agreement as are permitted or required thereunder and shall not be liable with respect to any action taken or omitted to be taken by it thereunder or with respect thereto in good faith in accordance with the direction of the holders of at least a majority in aggregate principal amount of the Outstanding Bonds.

Section 7.14 Directions to Trustee by Electronic Means. The Trustee shall have the right to accept and act upon directions, including funds transfer instructions, given pursuant to this Indenture, the Loan Agreement or any other document reasonably relating to the Bonds and delivered using Electronic Means; provided, however, that the Authority or the University, as applicable, shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such directions and containing specimen signatures of such authorized officers, which incumbency certificate shall be amended whenever a Person is to be added or deleted from the listing. If the Authority or the University elects to give the Trustee directions using Electronic Means and the Trustee in its discretion elects to act upon such directions, the Trustee’s understanding of such directions shall be deemed controlling. The Authority and the University understand and agree that the Trustee cannot determine the identity of the actual sender of such directions and that the Trustee shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Trustee have been sent by such an authorized officer. The Authority and the University shall be responsible for ensuring that only authorized officers transmit such directions to the

Trustee and that the Authority, the University and all authorized officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and the University. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions notwithstanding such directions conflict or are inconsistent with a subsequent written direction. The Authority and the University each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Trustee and that there may be more secure methods of transmitting directions than the method(s) selected by the Authority or the University, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

(End of Article VII)

ARTICLE VIII
SUPPLEMENTS AND AMENDMENTS

Section 8.1 Supplemental Indentures Not Requiring Consent of Registered Owners. This Indenture may be amended or supplemented at any time and from time to time, without notice to or the consent of the Registered Owners, by a Supplemental Indenture entered into between the Authority and the Trustee, consented to by the University, and authorized by a resolution of the Authority filed with the Trustee, for one or more of the following purposes:

(a) To cure any ambiguity, inconsistency or formal defect or omission in this Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Registered Owners any additional rights, remedies, powers or authority;

(c) To confirm any pledge of or lien on the Pledged Revenues, to assign additional revenues under this Indenture or to accept additional security or instruments of further assurance;

(d) To add to the covenants, agreements and obligations of the Authority under this Indenture, other covenants, agreements and obligations to be observed for the protection of the Registered Owners, or to surrender or limit any right, power or authority reserved to or conferred upon the Authority in this Indenture;

(e) To permit the use of a book entry system to identify the owner of an interest in an obligation issued by the Authority under this Indenture, whether that obligation was formerly, or could be, evidenced by a tangible security;

(f) To permit the Trustee to comply with any obligations imposed upon it by law;

(g) To make provisions relating to any letter of credit, bond insurance, guaranty or other credit enhancement which may be proposed for the benefit of the Registered Owners of any Outstanding Bonds;

(h) To achieve compliance of this Indenture with any applicable federal securities or tax laws;

(i) To make amendments to the provisions hereof relating to arbitrage matters under Section 148 of the Code if, in the opinion of Bond Counsel, those amendments would not cause the interest on the Bonds outstanding to become included in the gross income of the Registered Owners thereof for federal income tax purposes, which amendments may, among other things, change the responsibility for making the relevant arbitrage calculations;

(j) To permit any other amendment which is not materially adverse to the interests of the Trustee or the Registered Owners; or

(k) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to obtain, maintain or improve a rating of the Bonds by Moody's, Standard & Poor's or Fitch, as applicable.

Before the Authority and the Trustee shall enter into any Supplemental Indenture pursuant to this Section, there shall have been delivered to the Trustee and the Authority an opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted by this Indenture and the Act, that it will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms, and that it will not adversely affect the exclusion from gross income of interest on any Bonds for federal income tax purposes.

Section 8.2 Indentures Requiring Consent of Registered Owners. In addition to the Supplemental Indentures permitted by Section 8.1, this Indenture may be amended or supplemented from time to time by a Supplemental Indenture consented to by the University and approved by the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding, except that, other than as permitted by Section 8.1, this Indenture may not be amended with respect to (a) the principal or redemption price or interest payable upon any Bonds, (b) the Interest Payment Dates, the dates of maturity or the redemption provisions of any Bonds, and (c) this Article VIII, without the unanimous consent of all Registered Owners. Before the Authority and the Trustee may enter into such Supplemental Indenture, there shall have first been delivered to the Trustee (1) the required consents, in writing, of Registered Owners and (2) an opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted by this Indenture and the Act, that it will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms, and that it will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 8.3 Consent of University. Anything contained herein to the contrary notwithstanding, a Supplemental Indenture executed and delivered in accordance with this Article shall not become effective unless and until the University shall have consented in writing to the execution and delivery of that Supplemental Indenture.

Section 8.4 Authorization to Trustee; Effect of Supplement. The Trustee is authorized to join with the Authority in the execution and delivery of any Supplemental Indenture in accordance with this Article and to make the further agreements and stipulations which may be contained therein. Thereafter, (a) such Supplemental Indenture shall form a part of this Indenture; (b) all terms and conditions contained in that Supplemental Indenture as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Indenture for any and all purposes; (c) this Indenture shall be deemed to be modified and amended in accordance with the Supplemental Indenture; and (d) the respective rights, duties and obligations under this Indenture of the Authority, the University, the Trustee, and all Registered Owners of Bonds outstanding shall be determined, exercised and enforced hereunder in a manner which is subject in all respects to those modifications and amendments made by the Supplemental Indenture. The Trustee shall not be required to execute any Supplemental Indenture containing provisions materially adverse to the Trustee.

Section 8.5 Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in this Indenture, the rights and obligations of the Authority and of the Registered Owners, and the terms and provisions of the Bonds and this Indenture or any Supplemental Indenture, may be modified or altered in any respect with the consent of (i) the Authority, (ii) the Registered Owners of all of the Bonds outstanding, and (iii) the University.

Section 8.6 Amendment of Loan Agreement and Shared Security Documents. If the Authority (or Trustee as assignee of the Authority) and the University propose to amend the Loan Agreement, the Trustee may in each case consent thereto; provided that if such proposal would amend the Loan Agreement in such a way, other than to effect changes or modifications substantially of the type set forth in Section 8.1 hereof or in Section 1.5 of the Loan Agreement, which would materially adversely affect the interests of the Registered Owners, the Trustee shall notify and the Registered Owners of the proposed amendment and may consent thereto with the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding, except that no amendment materially adversely affecting the interests of the Registered Owners shall be consented to by the Trustee without notice to and the unanimous consent of all Registered Owners if such materially adverse amendment would (a) decrease the amounts payable under the Loan Agreement, (b) change the date of payment or prepayment provisions under the Loan Agreement, or (c) change any provisions with respect to amendment. Before the Authority shall enter into, and the Trustee shall consent to, any modification, alteration, amendment or supplement to the Loan Agreement pursuant to this Section, there shall have been delivered to the Authority and the Trustee an opinion of Bond Counsel to the effect that such amendment is authorized or permitted by this Indenture and the Act and will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Trustee may, without the consent of the Bondholders, enter into or consent to any amendment of or supplement to any of the Shared Security Documents entered into (a) to cure any ambiguity, defect, or inconsistency or omission therein or in any amendment thereto, or (b) to grant to or confer upon the Trustee or the Collateral Agent any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon it, or (c) to reflect a change in applicable law including, but not limited to, any change in the Code, or (d) to amend, modify or supplement any such Shared Security Document in such manner as may be necessary or appropriate in connection with any amendment of or supplement to this Indenture or the Loan Agreement which is effected in accordance with the terms of this Indenture, or (e) to amend, modify or supplement any such Shared Security Document in any other manner, provided, however, that the rights and security of the Bondholders are not, in the judgment of the Trustee (who may rely upon an opinion of counsel or other appropriate consultant), materially adversely affected thereby.

Section 8.7 Trustee Authorized to Join in Supplements and Amendments; 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 this Article and in so doing shall be fully protected by an opinion of counsel that such Supplemental Indenture or amendment is so permitted.

Section 8.8 Notice to Rating Services. The Trustee shall promptly notify each Rating Service (if the Bonds are then rated by such Rating Service) of any material supplement or amendment to this Indenture or the Loan Agreement of which a Responsible Officer of the Trustee has actual notice.

(End of Article VIII)

ARTICLE IX DEFEASANCE

Section 9.1 Defeasance. When the principal of, redemption premium, if any, and interest on all Bonds issued hereunder have been paid, or provision has been made for payment of the same together with the compensation and expenses of the Trustee and all other sums payable hereunder by the Authority or the University, the right, title and interest of the Trustee in and to the Trust Estate shall thereupon cease and the Trustee, on the written demand of the Authority or the University, shall release this Indenture and shall, at the expense of the University, execute such documents to evidence such release as may be reasonably required by the Authority or the University and shall turn over to the University or to such person, body or authority as may be entitled to receive the same, all balances then held by it hereunder not required for the payment of the Bonds and such other sums payable hereunder. If payment or provision therefor is made with respect to less than all of the Bonds of any maturity, the particular Bonds (or portions thereof) of such maturity for which provision for payment shall have been considered made shall be selected by lot by the Trustee, and thereupon the Trustee shall take similar action for the release of this Indenture with respect to such Bonds.

Section 9.2 Provision for Payment.

(a) Provision for the payment of Bonds shall be deemed to have been made when the Trustee holds in the Debt Service Fund (1) cash in an amount sufficient to make all payments (including principal and interest payments) specified in Section 9.1 with respect to such Bonds, or (2) noncallable investments listed in paragraphs (a) and (b) of the definition of "Investment Securities" herein, or any combination of the foregoing, maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due are or will be in the aggregate sufficient without reinvestment to make all such payments, or (3) any combination of cash and such obligations the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all such payments; provided that the Trustee shall have received (i) an opinion of Bond Counsel to the effect that a deposit of obligations described in clause (2) or (3) above will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any of the Bonds or cause any of the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code; and (ii) a verification report from an independent certified public accountant or other qualified Consultant confirming that the deposit of such obligations is sufficient to make all payments specified in Section 9.1. If a forward supply contract is employed in connection such deposit, (y) the verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon, and does not assume performance under or compliance with the forward supply contract, and (z) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or this Indenture, if no separate escrow agreement is used), the terms of the escrow agreement or this Indenture, if applicable, shall be controlling.

(b) Neither the moneys nor the obligations deposited with the Trustee pursuant to this Article shall be withdrawn or used for any purpose other than, and such obligations and moneys shall be segregated and held in trust for, the payment of the principal or redemption price of and interest on the Bonds (or portions thereof).

(c) Whenever moneys or obligations shall be deposited with the Trustee for the payment or redemption of Bonds more than 60 days prior to the date that such Bonds are to mature or be redeemed, the Trustee shall mail a notice to the Registered Owners of Bonds for the payment of which such moneys or obligations are being held at their registered addresses stating that such moneys or obligations have been deposited. Notwithstanding the foregoing, no deposit with the Trustee under this subsection shall be deemed a payment of any Bonds which are to be redeemed prior to their stated maturity until such Bonds shall have been irrevocably called or designated for redemption on a date thereafter on which such Bonds may be redeemed in accordance with the provisions of this Indenture and proper notice of such redemption shall have been given in accordance with Article III or the Authority shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to give, in the manner and at the times prescribed by Article III, notice of redemption.

Section 9.3 Deposit of Funds for Payment of Bonds. If the principal of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with the premium (if any) thereon and all interest accruing thereon to the due date, has been paid or provision therefor made in accordance with Section 9.2, all interest on such Bonds shall cease to accrue on the due date and all liability of the Authority with respect to such Bonds shall likewise cease, except as hereinafter provided. Thereafter, the Registered Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Trustee shall hold such funds in trust for such Registered Owners uninvested and without liability for interest thereon. Moneys so deposited with the Trustee which remain unclaimed two years after the date payment thereof becomes due shall, at the written request of the University and if neither the Authority nor the University is at the time to the knowledge of the Trustee in default with respect to any covenant contained in this Indenture, the Bonds or the Loan Agreement, be paid to the University, and the Registered Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the University; provided that the Trustee, before making payment to the University, may, at the expense of the University, cause a notice to be given to the Registered Owners at their registered addresses, stating that the moneys remaining unclaimed will be returned to the University after a specified date. In the absence of any such written request from the University, the Trustee shall from time to time deliver such unclaimed funds to or as directed by pertinent escheat authority, as identified by the Trustee in its sole discretion, pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the escheat authority.

Section 9.4 Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Indenture which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, credit against mandatory sinking fund requirements, exchange, transfer and registration of Bonds, replacement of mutilated, lost, wrongfully taken or destroyed Bonds, safekeeping and cancellation of Bonds, nonpresentment of Bonds, holding of moneys in trust, payment of moneys to the University, the rebate of moneys to

the United States in accordance with Section 4.7, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee and the Registered Owners notwithstanding the release and discharge of the lien of this Indenture. The provisions of this Article shall survive the release, discharge and satisfaction of this Indenture.

(End of Article IX)

ARTICLE X
MISCELLANEOUS

Section 10.1 Limitation of Rights; No Personal Recourse. With the exception of rights conferred expressly in this Indenture, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the University and the Registered Owners of the Bonds any legal or equitable right, remedy, power or claim under or with respect to this Indenture or any covenants, agreements, conditions and provisions contained herein.

This Indenture does not pledge the general credit nor the taxing power of the Commonwealth or any political subdivision thereof. The liability of the Authority hereunder and under the Bonds and the Loan Agreement shall be limited to its interest in the Trust Estate.

No covenant or agreement contained in this Indenture, the Bonds or the Loan Agreement shall be deemed to be the covenant or agreement of any member, director, officer, attorney, agent or employee of the Authority or the University in an individual capacity. No recourse shall be had for the payment of any claim based thereon against any member, director, officer, agent, attorney or employee of the Authority or the University past, present or future, or their successors or assigns, as such, either directly or through the Authority or the University or any successor, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

Section 10.2 Severability. In case any section or provision of this Indenture, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Indenture, or any application thereof, is held to be illegal or invalid for any reason by a court of competent jurisdiction, or is inoperable at any time, such illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Indenture or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Indenture, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein.

Section 10.3 Notices. Except as provided in Section 3.4 and Section 6.2 and except as otherwise specified herein, it shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is duly mailed by first class mail. Any party providing any notice hereunder shall cause a copy thereof to be provided to each Rating Service. Notices to the Authority, the Trustee, the University, Moody's (if the Bonds are then rated by Moody's), Standard & Poor's (if the Bonds are then rated by Standard & Poor's), Fitch (if the Bonds are then rated by Fitch) as follows:

- (a) If to the Authority:

Department of Community and Economic Development
Pennsylvania Economic Development Financing Authority
Center for Private Financing
Commonwealth Keystone Building

400 North Street, 4th Floor
Harrisburg, PA 17120
Attention: Executive Director
Telecopy No.: (717) 787-0879

(b) If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
500 Ross Street
Pittsburgh, PA 15258
Attention: Corporate Trust

(c) If to the University:

Eastern University
1300 Eagle Road
St. Davids, PA 19087-3696
Attention: Vice President for Finance and Operations

Section 10.4 Suspension of Mail. If because of the suspension of delivery of first class mail or, for any other reason, the Trustee shall be unable to mail by first class of mail any notice required to be mailed by the provisions of this Indenture, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate first class mailing thereof, and the giving of that notice in that manner for all purposes of this Indenture shall be deemed to be in compliance with the requirement for the mailing thereof.

Except as otherwise provided herein, the mailing of any notice shall be deemed complete upon deposit of that notice in the mail and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the delivery service.

Section 10.5 Payments Due on Days Not Business Days. If any Interest Payment Date, date of maturity of any Bonds, or date fixed for redemption of any Bonds is not a Business Day, then payment of interest and principal need not be made by the Trustee or any paying agent on that date, but that payment may be made on the next succeeding Business Day on which the Trustee or any paying agent is open for business with the same force and effect as if that payment were made on the Interest Payment Date, date of maturity or date fixed for redemption, and no interest shall accrue for the period after that date; provided that if the Trustee is open for business on the applicable Interest Payment Date, date of maturity or date fixed for redemption, it shall make any payment required hereunder with respect to payment of interest on outstanding Bonds and payment of principal of Bonds presented to it for payment, regardless of whether any paying agent shall be open for business or closed on the applicable Interest Payment Date, date of maturity or date fixed for redemption.

Section 10.6 Binding Effect. This Indenture shall inure to the benefit of and shall be binding upon the Authority and the Trustee and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 10.7 Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 10.8 Governing Law. The rights and obligations of the parties shall be governed by, and this Indenture and the Bonds shall be interpreted, construed, and enforced in accordance with, the laws of the Commonwealth, excluding its conflict of laws rules to the extent such rules would apply the law of another jurisdiction. The parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in the Commonwealth, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party. Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Indenture.

Section 10.9 Dispute Resolution. If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Indenture, or the Trustee is in doubt as to the action to be taken hereunder, the Trustee may, at its option, after sending written notice of the same to the Authority or the Registered Owners, refuse to act until such time as it (a) receives a final non-appealable order of a court of competent jurisdiction directing delivery of the Pledged Revenues or (b) receives a written instruction, executed by each of the parties involved in such disagreement or dispute, in a form reasonably acceptable to the Trustee, directing delivery of the Pledged Revenues. The Trustee will be entitled to act on any such written instruction or final, non-appealable order of a court of competent jurisdiction without further question, inquiry or consent. The Trustee may file an interpleader action in a state or federal court, and upon the filing thereof, Trustee will be relieved of all liability as to the Pledged Revenues and will be entitled to recover reasonable and documented out-of-pocket attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action.

Section 10.10 Entire Agreement. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

(Signature Pages Follow)

IN WITNESS WHEREOF, the Authority has caused this Indenture to be executed and delivered on its behalf by its Chairman or Vice Chairman and attested by its Secretary or Assistant Secretary and the Trustee has caused this Indenture to be executed and delivered on its behalf by one of its duly authorized officers and attested by one of its duly authorized officers all as of the day and year first above written.

ATTEST:

PENNSYLVANIA ECONOMIC DEVELOPMENT
FINANCING AUTHORITY

(Assistant) Secretary

(Vice) Chairman

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

By: _____
Authorized Officer

This execution page is part of the Trust Indenture dated as of May 1, 2025, between PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee, providing for the issuance of the Authority's University Revenue Bonds (Eastern University Project), Series A of 2025.

EXHIBIT A

[FORM OF BOND]

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE (AS DEFINED HEREIN), THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO THE SECURITIES DEPOSITORY (AS DEFINED HEREIN), A NOMINEE OF THE SECURITIES DEPOSITORY, TO A SUCCESSOR SECURITIES DEPOSITORY SELECTED AND APPROVED AS PROVIDED IN THE INDENTURE DEFINED HEREIN OR TO A NOMINEE OF SUCH SUCCESSOR SECURITIES DEPOSITORY.

\$ _____

No. R- ____

United States of America
Commonwealth of Pennsylvania

PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY
UNIVERSITY REVENUE BONDS (EASTERN UNIVERSITY PROJECT),
SERIES A OF 2025

MATURITY
DATE

_____, ____

INTEREST
RATE
%

DATED DATE
May __, 2025

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

DOLLARS

Pennsylvania Economic Development Financing Authority (the "Authority"), a body corporate and politic organized and existing under the Pennsylvania Economic Development Financing Law, Act of August 23, 1967, P.L. 251, as amended (together with all future acts supplemental thereto or amendatory thereof, the "Act"), for value received, promises to pay to the registered owner named above, or registered assigns, upon surrender hereof, but solely from the sources and in the manner referred to herein, on the Maturity Date specified above, unless this Bond shall have been previously called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, the Principal Amount specified above and to pay from those sources interest thereon at the annual rate specified above (computed on the basis of a 360-day year of twelve 30-day months) from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid next preceding the authentication date hereof, unless the date of authentication hereof (i) is an Interest Payment Date, in which event this Bond shall bear interest from the authentication date hereof, or (ii) is on or prior to the first Regular Record Date, in which event this Bond shall bear interest from the Dated Date specified above, such payments of interest to be made on April 1 and October 1 of each year, commencing

October 1, 2025 (each, an “Interest Payment Date”) until the principal or redemption price hereof has been paid or provided for as aforesaid. The principal or redemption price of and interest on this Bond may be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

The principal or redemption price of this Bond is payable when due upon presentation and surrender hereof at the designated corporate trust agency office of The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) in Philadelphia or Pittsburgh, Pennsylvania (the “Payment Office”), or at the duly designated office of any duly appointed alternate or successor trustee. Interest on this Bond is payable on each Interest Payment Date by check mailed on such date to the person in whose name this Bond is registered on the registration books maintained by the Trustee (the “Register”) at the close of business on the Regular Record Date, which shall be the fifteenth (15th) day of the calendar month (whether or not a Business Day) next preceding any Interest Payment Date, at such owner’s address as it appears on the Register; provided that, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds (hereinafter defined) received by the Trustee at least three Business Days prior to any Regular Record Date, interest shall be payable in immediately available funds on any Interest Payment Date by wire transfer to the bank account within the continental United States specified by the registered owner in such request. If sufficient funds for the payment of interest becoming due on any Interest Payment Date are not on deposit with the Trustee on such date, the interest so becoming due shall forthwith cease to be payable to the registered owner otherwise entitled thereto as of the applicable Regular Record Date. If sufficient funds thereafter become available for the payment of such overdue interest, the Trustee shall establish a Special Record Date for the payment of such overdue interest, which shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment, and shall mail a notice of the proposed payment and of the Special Record Date to the registered owners of all Bonds at least 10 days prior to the Special Record Date, and thereafter interest shall be payable to the persons listed on the Register as the registered owners of the Bonds at the close of business on the Special Record Date.

So long as The Depository Trust Company (“DTC”) or its nominee, Cede & Co., is the registered owner hereof, all payments of principal or redemption price of and interest on this Bond shall be payable in the manner and at the respective times of payment provided for in the Representation Letter defined in, and incorporated into, the Indenture (hereinafter defined).

This Bond is one of a duly authorized issue of the Authority’s University Revenue Bonds (Eastern University Project), Series A of 2025, issued in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are issued under and pursuant to a Trust Indenture dated as of May 1, 2025 (the “Indenture”) from the Authority to the Trustee.

The Bonds are payable from payments to be made by Eastern University, a Pennsylvania nonprofit corporation (the “University”) pursuant to a Loan Agreement dated as of May 1, 2025 (the “Loan Agreement”) between the Authority and the University, and from any other moneys pledged to or held by the Trustee under the Indenture for such purpose, and there shall be no other recourse against the Authority or any other property now or hereafter owned by it. Except as otherwise specified in the Indenture, this Bond is entitled to the benefits of the Indenture equally and ratably as to principal, premium, if any, and interest with all other Bonds

issued under the Indenture. Reference is made to the Indenture and to the Loan Agreement for a statement of the purposes for which the Bonds are issued, and for provisions concerning, *inter alia*, the application of the proceeds of the Bonds; the Pledged Revenues assigned and pledged for the security of the Bonds; the rights and obligations of the Authority and the Trustee; provisions relating to the rights of the registered owners of the Bonds; and amendments to the Indenture and the Loan Agreement. The acceptance of the terms and conditions of such documents, copies of which are available at the corporate trust office of the Trustee in Pittsburgh or Philadelphia, Pennsylvania, is an explicit and material part of the consideration of the Authority's issuance hereof, and each registered owner by acceptance of this Bond accepts and assents to all such terms and conditions as if fully set forth herein. The registered owner shall have no right to enforce the provisions of the Indenture, or the Loan Agreement or the rights and remedies thereunder, except as provided in the Indenture. Capitalized terms used in this Bond which are not defined herein but which are defined in the Indenture shall have the respective meanings set forth in the Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN, AND THE BONDS AND THIS INDENTURE DO NOT PLEDGE THE FAITH AND CREDIT OR TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH SHALL BE LIABLE FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM IF ANY, OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

No recourse shall be had for the payment of the principal or redemption price of or interest on this Bond, or for any claim based hereon or on the Indenture, 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 by any legal or equitable proceeding or otherwise, all such liability of such members, officers or employees being released as a condition of and as consideration for the execution of the Indenture and the issuance of this Bond.

Optional Redemption. The Bonds maturing on _____, are subject to redemption prior to maturity by the Authority, at the direction of the University, on or after _____, in whole at any time or in part from time to time in such order of maturity as specified by the Authority at the direction of the University, and within a maturity by lot, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Scheduled Mandatory Redemption of Bonds. The Bonds are subject to scheduled mandatory redemption by the Authority on October 1 in the years and the amounts set forth at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

Bonds Maturing _____:

Year

Principal

*Final Maturity

If Bonds or portions thereof are called for redemption and, if on the redemption date moneys for the redemption thereof are held by the Trustee, thereafter those Bonds or portions thereof to be redeemed shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Indenture.

If fewer than all of the Bonds of any maturity are to be redeemed, the selection of Bonds of such maturity to be redeemed, or portions thereof in amounts of \$5,000 and any integral multiple of \$5,000 in excess thereof, shall be made by lot by the Trustee; provided, however, no 2025A Bond shall be outstanding in a denomination of less than \$5,000 after any redemption and provided, however, if DTC or its nominee is the Registered Owner of the Bonds, such selection shall be made by lot by DTC, the DTC Participants and Indirect Participants in such manner as they may determine.

Any redemption of this Bond shall be made as provided in the Indenture upon not less than thirty days' notice by mailing a copy of the redemption notice by first class mail, postage prepaid to the registered owner hereof at the address shown on the Register, unless such notice is waived by the registered owner; provided, however, that failure to mail any notice or any defect therein or in the mailing thereof, as it affects any particular 2025A Bond, shall not affect the validity of the proceedings for redemption of any other Bonds.

If at the time of mailing of notice of any optional redemption there shall not have been deposited in the Debt Service Fund established under the Indenture moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, in that it is subject to the deposit of such redemption moneys in the Debt Service Fund not later than 10:00 a.m. prevailing time on the scheduled redemption date, in which case such notice shall be of no effect unless moneys are so deposited.

If fewer than all of the Bonds of any maturity are to be redeemed, the selection of Bonds of such maturity to be redeemed shall be made by the Trustee; *provided, however*, that so long as DTC or its nominee is the registered owner hereof, such selection of Bonds of any maturity to be redeemed shall be made by lot by DTC, the DTC Participants and Indirect Participants in such manner as they may determine. In the event that less than the full principal amount hereof shall have been called for redemption, the registered owner hereof shall surrender this Bond in exchange for one or more new Bonds in an aggregate principal amount equal to the unredeemed portion of the principal amount hereof.

In case an Event of Default, as defined in the Indenture, shall have occurred, the principal of all Bonds then outstanding under the Indenture may become due and payable before their maturity dates upon the conditions and in the manner and with the effect provided in the Indenture.

If at any time the Trustee holds moneys or securities as described in the Indenture sufficient to pay at redemption or maturity the principal or redemption price of and premium, if any, and interest on all Bonds outstanding under the Indenture, and if all other sums then payable by the Authority under the Indenture have been paid, then subject to the provisions of the Indenture the lien of the Indenture and other security held by the Trustee for the, benefit of the Registered Owners will be discharged. After such discharge, Registered Owners must look only to the deposited moneys and securities for payment.

The Bonds are issuable only as fully registered Bonds in the denomination of \$5,000 or any integral multiple of \$5,000 in excess thereof. Subject to the limitations provided in the Indenture and upon payment of any tax or governmental charge, if any, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity in authorized denominations.

This Bond is transferable by the registered owner hereof or such Person's duly authorized attorney at the designated Payment Office of the Trustee, upon surrender of this Bond accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Trustee, subject to such reasonable regulations as the Authority or the Trustee may prescribe, and upon payment of any tax or other governmental charge incident to such transfer. Upon any such transfer, a new 2025A Bond or Bonds of the same maturity in the same aggregate principal amount will be issued to the transferee. Except as set forth in this Bond and as otherwise provided in the Indenture, the person in whose name this Bond is registered shall be deemed the owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

The Trustee shall not be required (i) to register the transfer of or exchange any 2025A Bond during the period of 15 days preceding any interest payment date, or (ii) to register the transfer of or exchange any 2025A Bond so selected for redemption in whole or in part.

This Bond shall not be entitled to any security or benefit under the Indenture or be valid or become obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been duly executed.

IN WITNESS WHEREOF, PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY has caused this Bond to be executed in its name by the manual or facsimile signature of the (Vice) Chairman of the Authority and its corporate seal or a facsimile to be affixed hereto or printed hereon and attested by the manual or facsimile signature of its Assistant Secretary.

[Seal]

PENNSYLVANIA ECONOMIC
DEVELOPMENT FINANCING AUTHORITY

Attest:

Assistant Secretary

By: _____
Executive Director

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture.

Date of Authentication:

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

By: _____
Authorized Signer

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Tax Identification Number or Social Security Number _____) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said bond on the bond register, with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatever.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	- as tenants in common
TEN ENT	- as tenants by the entireties
JT TEN	- as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list.

EXHIBIT B

PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY
\$ _____ UNIVERSITY REVENUE BONDS
(EASTERN UNIVERSITY PROJECT), SERIES A OF 2025

Dated: Date of Delivery

Maturity Dates, Maturing Principal and Interest Rates

Maturity Date

Maturing Principal

Interest Rate

LOAN AGREEMENT

between

PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY

and

EASTERN UNIVERSITY

Dated as of

May 1, 2025

PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY

\$ _____
University Revenue Bonds
(Eastern University Project),
Series A of 2025

McNees Wallace & Nurick LLC
100 Pine Street
Harrisburg, PA 17101
Bond Counsel

<u>Table of Contents</u>	<u>Page</u>
ARTICLE I DEFINITIONS	3
Section 1.1 Use of Terms Defined in Indenture.....	3
Section 1.2 Definitions.....	3
Section 1.3 Interpretation.....	12
Section 1.4 Captions, Headings and Table of Contents	13
Section 1.5 Changes in GAAP.....	13
ARTICLE II REPRESENTATIONS	14
Section 2.1 Representations of Authority	14
Section 2.2 Representations and Warranties of University.....	14
ARTICLE III ISSUANCE OF 2025A BONDS; SECURITY FOR THE UNIVERSITY’S PERFORMANCE.....	16
Section 3.1 Issuance of 2025A Bonds; Application of Proceeds.....	16
Section 3.2 Security for University’s Performance.....	16
Section 3.3 Disbursements from Project Fund.....	17
Section 3.4 Investment and Use of Fund Moneys.....	17
Section 3.5 Rebate Fund	17
ARTICLE IV LOAN BY AUTHORITY; LOAN PAYMENTS; OTHER PAYMENTS	18
Section 4.1 Loan by Authority.....	18
Section 4.2 Loan Payments.....	18
Section 4.3 Additional Payments	19
Section 4.4 Obligations Unconditional	19
Section 4.5 Assignment of Authority’s Rights	19
ARTICLE V COVENANTS OF UNIVERSITY.....	20
Section 5.1 Maintenance of Existence	20
Section 5.2 Financial Statements; Books and Records	20
Section 5.3 Taxes, Other Governmental Charges and Utility Charges.....	20
Section 5.4 Interest Rate Hedge Agreements.....	21
Section 5.5 Coverage Ratio Covenant	21
Section 5.6 Litigation Notice	22
Section 5.7 Indemnification	22
Section 5.8 Permitted Indebtedness	23
Section 5.9 Security for Permitted Indebtedness	25
Section 5.10 Tax Covenants of University	28
Section 5.11 Further Tax Covenants of University.....	28
Section 5.12 Environmental Matters.....	31

Section 5.13	Continuing Disclosure.....	32
Section 5.14	Nondiscrimination/Sexual Harassment.....	32
Section 5.15	Right-to-Know	32
ARTICLE VI REDEMPTION OF 2025A BONDS		33
Section 6.1	Optional Redemption	33
Section 6.2	Actions by Authority.....	33
ARTICLE VII EVENTS OF DEFAULT AND REMEDIES		34
Section 7.1	Events of Default	34
Section 7.2	Remedies on Default.....	35
Section 7.3	Remedies Not Exclusive	36
Section 7.4	Payment of Legal Fees, Costs and Expenses	36
Section 7.5	No Waiver	36
Section 7.6	Notice of Default.....	37
ARTICLE VIII MISCELLANEOUS		38
Section 8.1	Term of Agreement.....	38
Section 8.2	Notices	38
Section 8.3	Limitation of Liability, No Personal Liability	38
Section 8.4	Binding Effect	38
Section 8.5	Amendments	39
Section 8.6	Counterparts	39
Section 8.7	Severability	39
Section 8.8	Governing Law	39
Section 8.9	Assignment	39
Section 8.10	Receipt of Indenture.....	39
Exhibit A - Assignment		
Exhibit B - Nondiscrimination/Sexual Harassment Clause		
Exhibit C - Right-to-Know Law		

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of May 1, 2025 (this “Loan Agreement”) between the PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY, a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania (the “Authority”), and EASTERN UNIVERSITY (the “University”), a not-for-profit corporation duly organized and validly existing under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”) (the capitalized terms not defined in the recitals being used therein as defined or otherwise described in Article I of this Loan Agreement).

WITNESSETH THAT:

WHEREAS, the Authority is a body corporate and politic organized under provisions of the Pennsylvania Economic Development Financing Law (Act of August 23, 1967 P.L. 251, No. 102), as amended, codified at 73 P.S. § 371 et seq. (the “Act”); and

WHEREAS, the Authority has been created pursuant to the Act, with all necessary power and authority to issue limited obligation revenue bonds and to use the proceeds thereof to make loans to finance qualified projects (as defined in the Act), including the Project (as defined below), if authorized and approved by local industrial and development authorities or local industrial development agencies for financing by the Authority; and

WHEREAS, Cheltenham Township Industrial Development Authority is authorized by the Act to approve and submit projects to the Authority to promote the public purposes of the Act and has approved the Project for financing as required by the Act and has filed an application for such financing to the Authority; and

WHEREAS, Delaware County Authority (“DCA”) has previously issued, for the benefit of the University its (i) Revenue Bonds (Eastern University), Series of 2012 (the “2012 Bonds”); and (ii) Revenue Bonds (Eastern University), Series of 2022 (the “2022 Bonds”, and together with the 2012 Bonds, the “Prior Bonds”); and

WHEREAS, the 2012 Bonds were issued by DCA under and pursuant to that Trust Indenture dated as of June 1, 2012 (the “2012 Bonds Indenture”), by and between DCA and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2012 Bonds Trustee”), and the proceeds thereof loaned to the University pursuant to a Loan Agreement dated as of June 1, 2012, by and between DCA and the University; and

WHEREAS, the 2022 Bonds were issued by DCA and the proceeds thereof loaned to the University under and pursuant to that Bond Purchase and Loan Agreement dated as of February 16, 2022 (the “2022 Bonds Agreement”), by and among DCA, First National Bank of Pennsylvania (the “2022 Bonds Purchaser”), and the University; and

WHEREAS, the University has requested the Authority to make a loan to the University in the amount of \$_____ to fund a project consisting of the (i) refunding of all of the Prior Bonds; (ii) reimbursement of costs incurred in connection with the acquisition of property (land and improvements) situate at 8 Fenimore Lane, Radnor Township, Delaware County, Pennsylvania; (iii) funding of a deposit to the Debt Service Reserve Fund established in the

Indenture (as defined below) to meet the Debt Service Reserve Fund Requirement for the 2025A Bonds; and (iv) payment of certain costs and expenses related to issuing the 2025A Bonds (the “Project”); and

WHEREAS, the Authority hereby finds and determines that financing of the Project in the manner described above will further the purposes and policies of the Act; and

WHEREAS, in order to obtain funds with which to finance the Project, the Authority proposes to issue on behalf of the University its University Revenue Bonds (Eastern University Project), Series A of 2025 in the aggregate principal amount of \$_____ (the “2025A Bonds”); and

WHEREAS, the 2025A Bonds are issued under and pursuant to that certain Trust Indenture dated as of May 1, 2025 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”); and

WHEREAS, the Authority has entered into this Loan Agreement with the University for the purposes of lending the proceeds of the 2025A Bonds to the University to be applied to the Project, and providing for the repayment of such loan.

NOW, THEREFORE, intending to be legally bound, the Authority and the University hereby agree as follows:

(Balance of page intentionally left blank)

ARTICLE I DEFINITIONS

Section 1.1 Use of Terms Defined in Indenture. Terms used in this Loan Agreement which are defined in the Indenture and are not otherwise defined in this Loan Agreement shall have the meanings set forth in the Indenture unless the context or use clearly indicates another meaning or intent.

Section 1.2 Definitions. In addition to the terms defined in the recital clauses of this Loan Agreement, as used herein:

“Additional Payments” means the amounts required to be paid by the University pursuant to Section 4.3.

“Administrative Expenses” means those expenses reasonably and properly incurred by the Authority, including without limitation reasonable documented attorneys’ fees and expenses, in carrying out its responsibilities and duties, or in providing its services and facilities to the University, with respect to the Bonds under the Act or the Indenture or pursuant to this Loan Agreement.

“Authorized Representative” means, with respect to the Authority, each Person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee containing the specimen signature of such Person and signed on behalf of the Authority by its Secretary or Assistant Secretary, and, with respect to the University, each Person at the time designated to act on behalf of the University by written certificate furnished to the Trustee containing the specimen signature of such Person and signed on behalf of the University by its Secretary or Assistant Secretary or other such authorized officer.

“Average Annual Debt Service Requirement” means, as of any particular date of computation and as to any Bonds or other Debt under consideration, an amount equal to (a) the aggregate Debt Service Requirement on such Bonds or Debt for the period beginning with the Fiscal Year within which such computation shall be made and ending with the Fiscal Year in which the last stated maturity of the relevant Bonds or Debt shall occur, divided by (b) the number of Fiscal Years contained in such period.

“Balloon Debt” means any Long Term Debt, 25% or more of the original principal amount of which comes or may come due in any one Fiscal Year by virtue of stated maturity, mandatory redemption or prepayment or optional or mandatory tender for purchase or redemption by the holder thereof, and which portion of the principal is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such date.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated May ___, 2025 by and among the Authority, the University and the Underwriter, relating to the sale of the 2025A Bonds.

“Bonds Debt Service” means, for any period or payable at any time, the principal of, premium, if any, on and interest on the 2025A Bonds for that period or payable at the time whether due on an Interest Payment Date, at maturity or upon acceleration or redemption.

“Capital Lease” means at any time any lease which is, or is required under Generally Accepted Accounting Principles to be, classified as a financing lease and capitalized on the balance sheet of the lessee at such time.

“Closing Date” means May ___, 2025.

“Closing Statement” means the Closing Statement delivered on the Closing Date by and among the Authority, the Trustee and the University.

“Collateral Agency Agreement” means the Collateral Agency and Intercreditor Agreement, dated as of October 1, 2006, among the University, Delaware County Authority, The Bank of New York Mellon Trust Company, N.A., as trustee under various trust indentures, the Collateral Agent, and the holders of Parity Obligations that are or may become parties thereto from time to time in accordance with the terms thereof, as the same may be amended, supplemented or otherwise modified and in effect from time to time.

“Collateral Agent” means The Bank of New York Mellon Trust Company, N.A., as collateral agent under the Collateral Agency Agreement, together with its successor and assigns in such capacity.

“Completion Debt” means any Long Term Debt incurred by the University for the purpose of (a) financing the completion of constructing or equipping University Facilities for which Long Term Debt has theretofore been incurred in accordance with the provisions hereof, to the extent necessary to provide a completed and equipped facility of the type and scope contemplated at the time that such Long Term Debt was originally incurred, and in accordance with the general plans and specifications for such facility as originally prepared with only such changes as have been made in conformance with the documents pursuant to which such Long Term Debt was originally incurred, and (b) providing for capitalized interest during the period of construction, funding or increasing the funding of a related reserve fund and paying costs and expense of issuing such Completion Debt.

“Coverage Ratio” means, for any particular Fiscal Year of the University under consideration, the ratio (expressed as a percentage) obtained by dividing the Net Revenues Available for Debt Service for such Fiscal Year by the Debt Service Requirement on outstanding Long Term Debt during such Fiscal Year.

“Coverage Ratio Covenant” has the meaning set forth in Section 5.5(a) of this Loan Agreement.

“Debt” means, for purposes of this Loan Agreement and the Indenture, all obligations for repayment of borrowed money, or obligations under Capital Leases, in each case as required to be classified as a liability on the audited financial statements of the University in accordance with generally accepted accounting principles applicable in the United States; provided, however, that, for purposes of avoidance of doubt, Debt shall not include (i) Interest Rate Hedge Agreements or any Periodic Scheduled Payment or Termination Payment under an Interest Rate Hedge Agreement; (ii) any obligation which, on the date of this Loan Agreement or on the date of incurrence of such obligation (if such obligation is not outstanding on the date of this Loan Agreement), is classified as an off-balance sheet obligation or is debt that has been

incurred by a bankruptcy remote corporation and is secured by a distinct revenue source, but which is reclassified on a future date as an on-balance sheet item, provided that at the time of such reclassification such obligation is self-supporting and payments with respect thereto are not a general obligation of the University; (iii) current obligations payable out of current revenues, including current payments for the funding of pension plans; (iv) obligations under contracts for supplies, services, and pensions, allocable to current operating expenses of current or future years in which the supplies are to be furnished, the services rendered, or the pensions paid; (v) rentals payable under operating leases for right of use assets under generally accepted accounting principles applicable in the preparation of the University's financial statements; (vi) Non-Recourse Debt; (vii) any obligation to the extent the same is paid from restricted funds of the University; and (viii) any borrowing or reborrowing under a Revolving Line of Credit previously qualified as Permitted Indebtedness under Section 5.8 hereof.

"Debt Service Requirement" with respect to any Bonds or other Debt under consideration and with reference to a specified period means:

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

(b) amounts required to be paid into any mandatory sinking fund account for such Bonds or Debt during the period;

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

(d) in the case of any Debt in the form of a Capital Lease, the lease rentals payable during the period;

provided, however, that in determining the Debt Service Requirement with respect to Bonds or Debt for any future period of time to the extent required under the Indenture or this Loan Agreement, the following rules and assumptions shall apply:

(i) (A) In the case of Variable Rate Debt with respect to which the interest rate is required to be reset every seven days or more frequently, the interest payable on such Variable Rate Debt for any such future period shall be calculated on the assumption that the interest rate per annum on such Variable Rate Debt for such period will be equal to 100% of the average rate of interest per annum that was payable on such Variable Rate Debt during the period of twenty-four calendar months ending on the last day of the last full calendar month preceding the date as of which such calculation is required to be made; provided that if such Variable Rate Debt under consideration has been outstanding for less than such twenty-four month period but has been outstanding for at least a twelve calendar month period ending on the last day of the last full calendar month preceding the date as of which such calculation is required to be made, then the interest payable on such Variable Rate Debt for such future period will be equal to the higher of (x) the interest rate on such

Variable Rate Debt in effect as of relevant required date of calculation, or (y) 100% of the average rate of interest per annum that was payable on such Variable Rate Debt during the period of twelve calendar months ending on the last day of the last full calendar month preceding the date as of which such calculation is required to be made; and *provided further*, that if such Variable Rate Debt under consideration has been outstanding for less than such twelve-month period, then the interest payable on such Variable Rate Debt for such future period shall be calculated on the assumption that the interest rate per annum on such Variable Rate Debt for such future period will be equal to (x) 100% of The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (or, if such index is no longer published, then such other comparable index as may be selected by the University) as last published during the last full calendar month immediately preceding the date as of which such calculation is required to be made, if such Variable Rate Debt represents Debt the interest on which is excluded from the gross income of the holders thereof for federal income tax purposes, or (y) 100% of the one-month term secured overnight financing rate (SOFR) as most recently published in The Wall Street Journal (or, if such rate is no longer published in such publication, then as published in such comparable publication or derived from such other reputable source as may be selected by the University) during the last full calendar month preceding the date as of which such calculation is required to be made;

(B) In the case of any other Variable Rate Debt, the interest payable on such Variable Rate Debt for any such future period shall be calculated on the assumption that the interest rate per annum on such Variable Rate Debt for such period will be equal to the average rate of interest per annum that was payable on such Variable Rate Debt during the period of twenty-four calendar months (or such shorter period during which such Variable Rate Debt has been outstanding) ending on the last day of the last full calendar month preceding the date as of which such calculation is required to be made; provided that if such Variable Rate Debt under consideration has not been incurred as of the date such calculation is required to be made, then the interest payable on such Variable Rate Debt for such future period shall be calculated on the assumption that the interest rate per annum for such future period will be equal to the numerical interest rate in effect or reasonably expected to be in effect on the date such Variable Rate Debt is incurred;

(ii) The principal and interest payable on any Balloon Debt for any such future period shall be calculated on the assumption that such Balloon Debt is amortized on a level debt service basis over a period of twenty-five years (or such shorter period as represents the weighted economic life of the assets being financed) from the date of incurrence of such Balloon Debt. Alternatively, if there exists a binding commitment from a financial institution to pay such Balloon Debt upon maturity (whether at stated final maturity or any earlier date when such Balloon Debt must be paid or purchased in whole by the University) then, at the election of the University, such Balloon Debt may be assumed to mature and be payable in accordance with the terms of such commitment.

(iii) The principal and interest payable in respect of any Guaranty for any future period shall be deemed equivalent to a percentage (the “Applicable Percentage”) calculated on the following basis: (A) if the Coverage Ratio is equal to or less than 1.15, then the

Applicable Percentage shall be 100%; (B) if the Coverage Ratio is greater than 1.15 and less than or equal to 1.30, then the Applicable Percentage shall be 50%; and (C) if the Coverage Ratio is greater than 1.30, then the Applicable Percentage shall be 25%.

(iv) No debt service shall be deemed to be payable with respect to any Reimbursement Debt until such time as an amount is paid under the credit or liquidity facility or commitment that gave rise to such Reimbursement Debt, and from and after such funding the amount of such debt service shall be calculated in accordance with the actual amount required to be paid in connection with such Reimbursement Debt and the actual interest rate and principal amortization requirements, if any, applicable thereto.

(v) Derivative Debt shall be deemed to bear interest for the period of time the relevant Interest Rate Hedge Agreement is in effect at a net rate that takes into account the interest payments made by the University on such Debt and the net periodic payments made or received by the University on such Interest Rate Hedge Agreement

“Derivative Debt” means any Debt of the University with respect to which the University has entered into an Interest Rate Hedge Agreement.

“EMMA” means the Electronic Municipal Market Access (EMMA) System created by the Municipal Securities Rulemaking Board.

“Event of Default” means any of the events described as an Event of Default in Section 7.1.

“Fiscal Year” means the fiscal year of the University, currently ending on June 30.

“Guaranty” means all obligations of the University guaranteeing in any manner, whether directly or indirectly, any obligation of any other person which would, if such other person were the University, constitute Debt hereunder. Nothing in this definition or otherwise shall be construed to count a Guaranty more than once and for purposes of all covenants and computations provided for herein, the aggregate annual principal and interest payments on, and the principal amount of, any indebtedness incurred by any person which is not the University and which is the subject of a Guaranty hereunder shall be calculated in the manner provided in Section 5.5(c) hereof based on the Debt Service Requirement on, and the principal amount of, the underlying obligation on account of which a Guaranty has been issued.

“Interest Rate Hedge Agreement” means any interest rate swap, cap, floor, collar or other form of interest rate hedge or protection agreement.

“Lien” means any mortgage, deed of trust, pledge, lien, security interest or other security arrangement of any nature whatsoever, including but not limited to any conditional sale or title retention arrangement, or any assignment, deposit arrangement or lease intended as, or having the effect of, security.

“Limited Term Debt” means all Debt of the University payable upon demand or having a maturity not more than two years from the date incurred; provided, however, that for avoidance of doubt such term does not include the current portion of any Long Term Debt.

“Loan” means the loan by the Authority to the University of the proceeds of the 2025A Bonds pursuant to Section 4.1 in the original principal amount of \$_____.

“Loan Agreement” means this Loan Agreement, as amended or supplemented from time to time.

“Loan Payments” means the amounts required to be paid by the University in repayment of the Loan pursuant to Section 4.2.

“Long Term Debt” means the outstanding 2025A Bonds and all other outstanding Debt incurred by the University after the Closing Date, except Limited Term Debt, Non-Recourse Debt and Subordinate Debt.

“Net Revenue Available for Debt Service” means, as to any Fiscal Year, total revenues, gains and other support as reported as revenues without donor restrictions in the University’s audited financial statements for such Fiscal Year, MINUS the total Operating Expenses of the University for such Fiscal Year.

“Non-Recourse Debt” means any Debt secured by a lien, liability for which is effectively limited to the property, the purchase, acquisition or improvement of which was financed with the proceeds of such Non-Recourse Debt and which is subject to such lien with no recourse, directly or indirectly, to any other property of the University.

“Operating Expenses” means, for any Fiscal Year, total expenses without donor restrictions as reported in the University’s audited financial statements for such Fiscal Year, excluding for purposes of avoidance of doubt interest expense, depreciation, amortization, the noncash gain or loss in the post-retirement liability, or other non-cash expenses.

“Outstanding” or “outstanding,” in connection with Long Term Debt means, as of the time in question, all Bonds which have been authenticated and delivered under the Indenture or in the case of other Long Term Debt, all such Long Term Debt issued under the particular debt-incurring instrument, except:

(a) Long Term Debt theretofore repaid, canceled or required to be repaid or canceled pursuant to the terms of the debt incurring instrument;

(b) Long Term Debt for the payment, redemption, or purchase of which moneys or non-callable U.S. Government Obligations or other defeasance obligations provided or permitted under the instruments or agreements pursuant to which such Long Term Debt was issued or incurred, the principal of and interest on which, when due, will provide sufficient moneys to fully pay such Long Term Debt in accordance with the debt-incurring instrument, shall have been or shall concurrently be deposited with the Trustee or the obligee or trustee or escrow agent appointed for such purpose; provided that, if such Long Term Debt is being redeemed or prepaid, the required notice of redemption or prepayment, if any, shall have been given or provision

satisfactory to the Trustee shall have been made therefor or, and that if such Long Term Debt is being purchased, there shall be a firm commitment for the purchase and sale thereof;

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

(d) Long Term Debt otherwise paid, redeemed or defeased in accordance with the instruments or agreements pursuant to which such Long Term Debt was issued or incurred.

“Parity Obligations” has the meaning given that term in the Collateral Agency Agreement.

“Periodic Scheduled Payments” with respect to any Interest Rate Hedge Agreement means the net periodic payments scheduled to be made by the University to the counterparty thereunder with reference to the notional amount thereof, but shall not include any Termination Payments.

“Permitted Encumbrances” means with respect to any property of the University, as of any particular time, the following:

(a) Liens on the Shared Collateral in favor of the Collateral Agent to secure any Parity Obligations;

(b) Liens on moneys, funds and accounts held by or for the Trustee under the Indenture to secure any Bonds and Liens on moneys, funds and accounts held by or for any other trustee under any other indenture of trust securing any other bonds or notes issued by or for the benefit of the University;

(c) Liens for *ad valorem* taxes, special assessments and other governmental charges not then delinquent or being contested in good faith;

(d) Such minor defects, encroachments, irregularities, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the University Facilities and do not in the aggregate, in the opinion of Counsel to the University or in the opinion of a Consultant, materially impair the ability of the University to meet its payment obligations in respect of Debt of the University;

(e) Any Lien arising by reason of good faith deposits by the University in connection with 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;

(f) Any Lien arising by reason of deposits with, or the giving of any form of security to, or an escrow fund for the benefit of, any governmental agency or any body created or approved by law or governmental regulation for any purpose as required by law or regulation (i) as a condition to the transaction of any business or the exercise of any privilege or license, (ii) to secure the performance of work or the acquisition or construction of any improvements required

by such governmental body, or (iii) 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, or pension or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for companies participating in such arrangements;

(g) Any judgment lien against the University, so long as the finality of such judgment is being contested and execution thereon is stayed and (i) provision for payment of the judgment has been made in accordance with applicable law or by the deposit of cash or investments with a commercial bank or trust company or (ii) adequate insurance coverage is available to satisfy such judgment;

(h) Any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in good faith;

(i) Any zoning laws and similar restrictions which are not violated by the property affected thereby;

(j) Any right, title and interest of the state, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(k) Any Lien on property received by or pledged to the University in connection with gifts, grants or bequests, such lien or encumbrance being due to restrictions on such gifts, grants or bequests or property or income thereon;

(l) Any Lien on property (other than real estate) in the nature of a purchase money security interest resulting from installment sale agreements or borrowings, financing leases or similar agreements relating to the acquisition of property, or liens of a lessee or a vendee on the property being leased or sold under a lease, installment sale or similar agreement;

(m) Liens permitted under Section 5.9 hereof;

(n) Any Liens existing on any property of a person at the time such person is merged or consolidated with or into the University, provided that (i) such Liens are not extended to other property of the University or otherwise extended or renewed, unless such Liens as so extended or renewed otherwise qualify as Permitted Encumbrances hereunder, (ii) no additional Debt may be thereafter incurred that is secured by such Liens unless such Liens are otherwise permitted under Section 5.9 hereof, and (iii) such Liens were not created in order to avoid the limitations contained herein on the impositions of Liens on the property of the University;

(o) Any Liens existing on any property at the time of the acquisition thereof by the University, provided that (i) such Liens are not extended to other property of the University or otherwise extended or renewed, unless such Liens as so extended or renewed otherwise qualify as Permitted Encumbrances hereunder; (ii) no additional Debt may be thereafter incurred that is secured by such Liens unless such Liens are otherwise permitted under Section 5.9 hereof, and (iii) such Liens were not created in order to avoid the limitations contained herein on the impositions of Liens on the property of the University; and

(p) Any Liens existing on the date of this Loan Agreement.

“Permitted Indebtedness” means and includes each of the following: (1) Debt proposed to be incurred by the University in the maximum principal amount of \$35,000,000, to be applied to a project consisting of (a) the acquisition, construction, equipping and furnishing of athletic facilities and offices, including renovations, additions and improvements to existing University Facilities, (b)) the acquisition, construction, equipping and furnishing of additions and renovations to Centennial Hall; (c) the acquisition, construction, equipping and furnishing of admissions facilities and offices, including renovations, additions and improvements to existing University Facilities, (d) the funding of any necessary reserves, and (e) the payment of any associated costs of issuance; and (2) Debt otherwise meeting the requirements set forth in Section 5.8 hereof.

“Principal User” means, with respect to any facility, a “principal user” as such term is used in Section 144(a) of the Code, including, without limiting the generality of the foregoing, (a) any person whose ownership interest in such facility exceeds 10% or, if no ownership interest in such facility exceeds 10%, any person (or persons, in the case of multiple equal owners) holding the largest ownership interest in such facility, (b) any person who leases more than 10% of such facility under a lease with a term (taking into account all options to renew and reasonably anticipated renewals) of more than one year, and (c) any person who enjoys the use of such facility in a degree comparable to the enjoyment of a person described in clauses (a) and (b); for purposes of determining the extent of a person’s ownership interest, lease interest, lease term and degree of enjoyment of a facility, the term “person” includes a person and all Related Persons with respect to such person.

“Qualified 501(c)(3) Bonds” means bonds issued for the benefit of organizations described in Section 501(c)(3) of the Code meeting the requirements imposed by Section 145 of the Code or Section 103 of the Internal Revenue Code of 1954.

“Reimbursement Debt” means any obligation or liability of the University to reimburse or repay any person for a payment made by that person under a letter of credit or other form of credit or liquidity enhancement facility or commitment issued by that person for the account of the University to secure any other Debt of the University permitted under the terms of this Loan Agreement.

“Related Person” shall have the meaning set forth in Section 144(a)(3) of the Code and shall include (to the extent there provided) any parent, subsidiary, affiliated corporation or unincorporated enterprise, majority shareholder and commonly owned entity.

“Resolution” means the resolutions of the Board of the Authority authorizing the 2025A Bonds, the Indenture and this Loan Agreement.

“Revolving Line of Credit” means any Debt pursuant to which the University has the right to borrow, repay, and reborrow during the term thereof.

“Shared Collateral” has the meaning given that term in the Collateral Agency Agreement.

“Shared Security Documents” has the meaning given that term in the Collateral Agency Agreement.

“Subordinate Debt” has the meaning given that term in Section 5.9(f) of this Loan Agreement.

“Supplemental Loan Agreement” means any amendment or supplement to this Loan Agreement, duly executed by the Authority and the University.

“Tax Regulatory Agreement” means the Tax Certificate and Agreement dated as of the Closing Date by and between the Authority and the University.

“Termination Payments” means with respect to any Interest Rate Hedge Agreement the net amount payable by the University to the counterparty thereof upon any early termination thereof.

“Unassigned Authority’s Rights” means all of the rights of the Authority to receive Additional Payments under Section 4.3, to be held harmless and indemnified under Section 5.7, to be reimbursed for attorney’s fees and expenses under Section 7.4, to receive copies of notices, reports and similar matters required hereunder, and to execute amendments, modifications or termination of this Loan Agreement if and to the extent required under Section 8.5.

“Underwriter” means Raymond James & Associates, Inc.

“University Facilities” means and includes at any particular time (a) all facilities financed or refinanced by the 2025A Bonds, and (b) all other land, buildings, structures, real estate and any appurtenant facilities and fixtures owned or leased by the University that are part of the University’s campus in Radnor Township, Delaware County, Pennsylvania as of the date of this Loan Agreement.

“University’s Agreements” means this Loan Agreement, the Collateral Agency Agreement, the Shared Security Documents, the Tax Regulatory Agreement, the Bond Purchase Agreement and the Continuing Disclosure Agreement.

“Unrestricted Net Assets” means net assets that are without donor restrictions.

“Unrestricted Revenues” means such revenues, income and other moneys (both operating and non-operating) received by the University that would properly be recorded as additions to Unrestricted Net Assets under generally accepted accounting principles during the period being measured.

“Variable Rate Debt” means Debt that bears interest at a variable, adjustable or floating rate.

Section 1.3 Interpretation. In this Loan Agreement, unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa, the terms “hereof”, “hereby”, “herein”, “hereto”, “hereunder” and similar terms refer to this Loan Agreement, and the term “hereafter” means after and the term “heretofore” means before the

Closing Date, and words of any gender include the correlative words of the other genders. In this Loan Agreement, unless otherwise indicated, all references to particular Articles, Sections, Subsections or paragraphs are references to the Articles, Sections, Subsections or paragraphs of this Loan Agreement.

Section 1.4 Captions, Headings and Table of Contents. The captions, headings and table of contents in this Loan Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, Subsections or paragraphs hereof.

Section 1.5 Changes in GAAP. If, after the date of this Loan Agreement, there occurs any change in generally accepted accounting principles in the United States which requires any other material change in the method of calculation of any covenant set forth herein and which, in the case of such other change, is certified by an independent certified public accountant as being necessary to comply with generally accepted accounting principles, and, as a result thereof, the University notifies the Trustee in writing that the University wishes to amend any financial covenant (including any related definitions) to eliminate the effect of any such change on the operation of such covenant, then the University and the Trustee, as assignee of the Authority, shall amend this Loan Agreement so as to equitably reflect such change, with the desired result that the criteria for calculating such covenant shall be the same after such change as if such change had not been made and, until such notice is withdrawn or such covenant is amended in a manner satisfactory to the University, the University's compliance with such covenant shall be determined on the basis of generally accepted accounting principles in the United States in effect immediately before the relevant change became effective.

(End of Article I)

ARTICLE II REPRESENTATIONS

Section 2.1 Representations of Authority. The Authority hereby represents that:

(a) The Authority is a public body, corporate and politic created pursuant to the Act. Under the Act, the Authority has the power to enter into the Indenture, the Bond Purchase Agreement and this Loan Agreement and to carry out its obligations thereunder and to issue the 2025A Bonds to finance the Project.

(b) By adoption of the Resolution at a duly convened meeting of the Board of the Authority at which a quorum was present and acting throughout, the Authority has duly authorized the execution and delivery of the Indenture, the Bond Purchase Agreement and this Loan Agreement and performance of its obligations thereunder and the issuance of the 2025A Bonds. Simultaneously with the execution and delivery of this Loan Agreement, the Authority has duly executed and delivered the Indenture and issued and sold the 2025A Bonds.

(c) The Authority has not and will not pledge the income and revenues derived from this Loan Agreement other than pursuant to and as set forth in the Indenture.

Section 2.2 Representations and Warranties of University. The University hereby represents and warrants that:

(a) The University is a not-for-profit educational institution situated within the Commonwealth, empowered to provide a program of education beyond the high school level, and recognized by the Pennsylvania Board of Education as an institution of higher education. The University places no restrictions upon the admission of students based upon race, creed or national origin.

(b) The University has full power and authority to execute, deliver and perform its obligations under the University's Agreements and to enter into and carry out the transactions contemplated thereby.

(c) The University's Agreements have been duly authorized, executed and delivered by the University and constitute valid and binding obligations of the University. The execution, delivery and performance of the University's Agreements by the University do not, and will not, violate any provision of law applicable to the University or the University's articles of incorporation or bylaws or any agreement or instrument to which the University is a party or by which it or any of its properties is bound.

(d) As of the date of issuance of the 2025A Bonds: (i) the University has received a letter from the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Code and is not a "private foundation" within the meaning of Section 509(a) of the Code, or corresponding provisions of prior law; (ii) such letter or other notification has not been modified, limited or revoked; (iii) the University is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (iv) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; (v) the University is exempt from Federal income taxes under

Section 501(a) of the Code; and (vi) the University is not under audit by the Internal Revenue Service.

(e) The aggregate of the following amounts does not, on the date of issuance of the 2025A Bonds, exceed \$150,000,000:

(i) the outstanding amount of any Qualified 501(c)(3) Bonds issued on or before August 5, 1997, allocable to the University, any other Principal User of the University Facilities or any Related Person; and

(ii) the portion of the face amount of any Qualified 501(c)(3) Bonds issued after August 5, 1997, allocable to a refunding of any Qualified 501(c)(3) Bonds issued on or before August 5, 1997; and

(iii) the portion of the face amount of any Qualified 501(c)(3) Bonds issued after August 5, 1997, allocable to reimbursement of capital expenditures incurred on or prior to August 5, 1997.

(f) The information furnished by the University and used by the Authority in preparing the Tax Regulatory Agreement pursuant to Section 148 of the Code and information statement pursuant to Section 149(e) of the Code is accurate and complete as of the date of issuance of the 2025A Bonds.

(g) The proceeds of the 2025A Bonds will not exceed the costs of the Project in an amount prohibited by the Code.

(h) The costs of issuance financed with proceeds of the 2025A Bonds, including any Underwriter's discount on the sale of the 2025A Bonds, will not exceed 2% of the proceeds of the 2025A Bonds.

(i) The University has not used and does not reasonably foresee any use of moneys derived from the proceeds of the 2025A Bonds or any investment or reinvestment thereof which would cause the interest on the 2025A Bonds to be includable in gross income of the Holders for federal income tax purposes.

(End of Article II)

ARTICLE III
ISSUANCE OF 2025A BONDS; SECURITY FOR THE UNIVERSITY'S PERFORMANCE

Section 3.1 Issuance of 2025A Bonds; Application of Proceeds. To provide funds to make the Loan for purposes of paying costs of the Project, the Authority will issue the 2025A Bonds in the aggregate principal amount of \$ _____. The 2025A Bonds will be issued pursuant to the Indenture and will bear interest, mature and be subject to redemption all as set forth therein. The University hereby approves the terms and conditions of the Indenture and the 2025A Bonds, and the terms and conditions under which the 2025A Bonds will be issued, sold and delivered.

The proceeds from the sale of the 2025A Bonds (including any original issue discount or premium) shall be loaned to the University pursuant to Section 4.1 and such proceeds (net of any Underwriter's discount) shall be paid over to the Trustee for deposit under the Indenture as directed by the Authority in the Closing Statement, together with such other amounts identified by the University in the Closing Statement for deposit in the Project Fund. Such amounts may include, but are not limited to, any amounts held by the 2012 Bonds Trustee in any debt service reserve funds securing the 2012 Bonds under the 2012 Bonds Indenture, and any amounts held by the 2022 Bonds Purchaser in any debt service reserve fund securing the 2022 Bonds under the 2022 Bonds Agreement.

Pending disbursement for authorized purposes, the proceeds of the 2025A Bonds, together with any investment earnings thereon, shall constitute a part of the Trust Estate and shall be subject to the lien of the Indenture pursuant to the granting clauses therein as security for the obligations described in such granting clauses, and to such end the University hereby grants to the Trustee as security for such obligations a security interest in all of the University's right, title and interest in and to the moneys in the funds under the Indenture.

Section 3.2 Security for University's Performance.

(a) This Loan Agreement is a general obligation of the University, and the full faith and credit of the University are pledged for the payment of all sums due or to become due hereunder.

(b) To secure the payment of the amounts payable by the University hereunder and the performance of all other of its obligations under this Loan Agreement, the University hereby pledges, assigns and grants to the Authority a continuing lien on and a security interest in all of the University's right, title and interest in and to all moneys, instruments, securities, funds and accounts held by the Trustee under the Indenture, other than the Rebate Fund.

(c) This Loan Agreement shall constitute an "Additional Parity Debt Agreement" pursuant to the Collateral Agency Agreement, and accordingly (a) all obligations of the University under this Loan Agreement shall constitute "Additional Parity Debt" and part of the "Parity Obligations" within the meaning of the Collateral Agency Agreement; and (b) the Authority and the Trustee shall each be an "Additional Parity Obligor" and one of the "Secured Parties" within the meaning of the Collateral Agency Agreement with respect to this Loan Agreement and the Bonds. The Authority and the Trustee are hereby authorized by the University

to execute the Joinder Supplement in order to establish each of them as an Additional Parity Obligee under the Collateral Agency Agreement with respect to this Loan Agreement and the Bonds.

(d) The University will join with the Authority and the Trustee in executing such financing statements, continuation statements and other documents required under the Pennsylvania Uniform Commercial Code or other applicable law in connection with the liens and security interests created hereunder or under any of the Shared Security Documents as the Authority, the Trustee or the Collateral Agent may specify and will pay the cost of filing the same in such public offices as the Authority, the Trustee or the Collateral Agent shall designate.

Section 3.3 Disbursements from Project Fund. Disbursements from the Project Fund shall be made to pay costs of the Project. The University agrees that the sums so disbursed from the Project Fund will be used only for the payment of costs of the Project and will not be used for any other purpose. All disbursements from the Project Fund for the payment of costs of the Projects shall be made by the Trustee in accordance with the Closing Statement.

Section 3.4 Investment and Use of Fund Moneys. Absent the existence of an Event of Default hereunder, and at the written direction of an Authorized Representative of the University, any moneys held under the Indenture shall be invested or reinvested by the Trustee in Investment Securities pursuant to the terms of the Indenture. Notwithstanding the above, upon the occurrence and during the continuance of an Event of Default under the Indenture, any moneys held under the Indenture shall be held uninvested and without liability for interest. The University hereby covenants that it will restrict the investment and reinvestment and the use of the proceeds of the 2025A Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of delivery of and payment for the 2025A Bonds, so that the 2025A Bonds will not constitute arbitrage bonds under Section 148 of the Code.

Section 3.5 Rebate Fund. The University agrees to make such payments to the Trustee as are required of the University under Section 4.7 of the Indenture and Section 5.11(i) hereof and to pay the costs and expenses of any Financial Consultant engaged in accordance with Section 4.7 of the Indenture. The obligation of the University to make such payments shall remain in effect and be binding upon the University notwithstanding the release and discharge of the Indenture.

(End of Article III)

ARTICLE IV
LOAN BY AUTHORITY; LOAN PAYMENTS; OTHER PAYMENTS

Section 4.1 Loan by Authority. Upon the terms and conditions of this Loan Agreement, the Authority will make the Loan to the University on the date of issuance of the 2025A Bonds in a principal amount equal to the aggregate principal amount of the 2025A Bonds. The Loan shall be deemed fully advanced upon deposit or transfer of the net proceeds of the 2025A Bonds in accordance with the Closing Statement.

Section 4.2 Loan Payments. 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 Bonds Debt Service to provide funds to pay the Bonds Debt Service as and when due as specified above, and the University hereby agrees to make and shall make Loan Payments as follows:

The University shall pay or cause to be paid to the Trustee for deposit in the Debt Service Fund established under the Indenture in lawful money of the United States of America and in immediately available funds, at least five Business Days before each date when principal or premium, if any, or interest on the 2025A Bonds is due, and continuing until payment in full of the principal of, premium, if any, and interest on the 2025A Bonds (or provision for such payment) has been made as provided in the Indenture, a sum which, together with other moneys available therefor in the Debt Service Fund, will equal the sum of (i) the interest which is then due or then coming due on the 2025A Bonds and (ii) the principal amount of and premium, if any, on the 2025A Bonds which are then due or then coming due through redemption, at maturity, by acceleration or otherwise.

If for any reason the amounts paid by the University pursuant to this Section 4.2 or pursuant to the other provisions of this Loan Agreement, together with any other amounts available therefor under the Indenture, are at any time insufficient to make payments of the principal of, premium, if any, and interest on the 2025A Bonds when due, whether at maturity, upon redemption, by acceleration or otherwise, the University will forthwith pay to the Trustee the amount required to make up such deficiency.

It is the intention of the Authority and the University that, notwithstanding any other provision of this 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 its Bonds Debt Service.

All Loan Payments shall be payable in lawful money of the United States of America and shall be made by or on behalf of the University to the Trustee at its office listed in Section 10.3 of the Indenture, for the account of the Authority and deposited in the Debt Service Fund created by the Indenture. Such Loan Payments shall be applied as provided in the Indenture.

The University shall be entitled to credits against the Loan Payments as and to the extent provided in Subsection 4.2(d) of the Indenture.

Section 4.3 Additional Payments. The University shall pay as Additional Payments hereunder: (a) to the Authority, any and all Administrative Expenses, including costs and expenses (including reasonable legal fees and expenses) incurred or to be paid by the Authority in connection with the issuance and delivery of the 2025A Bonds or otherwise related to actions taken by the Authority under this Loan Agreement or the Indenture or any amendment thereof, supplement thereto or consent or waiver thereunder, including without limitation any annual charge made by a Rating Service to maintain a rating on the 2025A Bonds; (b) to the Trustee, the reasonable fees, charges and expenses (including attorney's fees, costs and expense) of the Trustee and its agents for acting as such under the Indenture; and (c) to the Trustee, and at the times required under the Indenture, such additional amounts as are required to make up any deficiency which may occur in any of the funds established under the Indenture with respect to the 2025A Bonds.

Section 4.4 Obligations Unconditional. The obligations of the University to make Loan Payments and Additional Payments and any payments required hereunder shall be absolute and unconditional, and the University shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including without limitation any defense, set-off, recoupment or counterclaim which the University may have or assert against the Authority, the Trustee or any other person, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement, it being the intention of the parties that the payments required of the University hereunder will be paid in full when due without any delay or diminution whatsoever, Loan Payments required to be paid by or on behalf of the University hereunder shall be received by the Authority or the Trustee as net sums and the University agrees to pay or cause to be paid all charges against or which might diminish such net sums; provided, however, that the University may assert or pursue any claims or causes of actions by appropriate proceedings.

Section 4.5 Assignment of Authority's Rights. To secure the payment of the Bonds Debt Service, the Authority is pledging and assigning to the Trustee on the Closing Date all the Authority's rights in, to and under this Loan Agreement (except for the Unassigned Authority's Rights) and the other property comprising the Trust Estate under the Indenture. The University consents to such pledge and assignment and agrees to make or cause to be made Loan Payments directly to the Trustee without defense or set-off by reason of any dispute between the University and the Trustee. Whenever the University is required to obtain the consent of the Authority hereunder, the University shall also obtain the consent of the Trustee; provided that, except as otherwise expressly stipulated herein or in the Indenture, the University shall not be required to obtain the Trustee's consent with respect to the Unassigned Authority's Rights.

(End of Article IV)

ARTICLE V
COVENANTS OF UNIVERSITY

Section 5.1 Maintenance of Existence.

(a) The University shall do all things necessary to preserve and keep in full force and effect its existence as a not-for-profit corporation under the laws of the Commonwealth and shall not (i) dissolve or otherwise sell, transfer or dispose of all, or substantially all, of its assets or (ii) consolidate with or merge into any other entity; provided that, the preceding restrictions shall not apply to a transaction to which the Trustee consents in writing (which consent shall not be unreasonably withheld) if the transferee or the surviving or resulting entity, if other than the University, by written instrument satisfactory to the Trustee, irrevocably and unconditionally assumes and agrees to perform and observe the agreements and obligations of the University under this Loan Agreement, no current rating on the 2025A Bonds is reduced or withdrawn by any Rating Service then rating the 2025A Bonds (or, if there is no such current rating by a Rating Service, the University has obtained the consent of a majority in aggregate principal amount of 2025A Bonds Outstanding) and the provisions of Section 8.9 are satisfied.

(b) The University covenants that it will maintain the necessary accreditation to enable it to maintain its authority to operate as an institution of higher education in the Commonwealth.

Section 5.2 Financial Statements; Books and Records. The University shall prepare or have prepared annual financial statements and shall keep true and proper books of records and accounts in which full and correct entries are made of all its business transactions. Copies of such annual financial statements shall be provided to the Authority and the Trustee promptly upon request, and such books of records and accounts shall be made available for inspection during normal business hours upon request by the Trustee and its agents upon reasonable notice.

Section 5.3 Taxes, Other Governmental Charges and Utility Charges. The University shall pay, or cause to be paid before the same become delinquent, all taxes, assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to its facilities, including any equipment or related property installed or brought by the University therein or thereon, and all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of its facilities, in each case where the failure to pay such amounts would have a material adverse effect upon the University's operations or financial condition. With respect to special assessments or other governmental charges that lawfully may be paid in installments over a period of years, the University shall be obligated to pay only such installments as are required to be paid during the term hereof. The University may, at its expense, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Trustee shall notify the University that, in the opinion of counsel selected by the Trustee, by nonpayment of any such items the University Facilities or any part thereof will be subject to material loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly.

Section 5.4 Interest Rate Hedge Agreements. The University shall not enter into any Interest Rate Hedge Agreement unless the following requirements are satisfied:

(a) the Interest Rate Hedge Agreement shall be entered into by the University for the purpose of hedging its interest rate risk with respect to any Debt of the University permitted under this Loan Agreement;

(b) the Interest Rate Hedge Agreement shall not contain any leverage element or multiplier component unless there is a matching hedge arrangement that effectively offsets the exposure from any such element or component; and

(c) the Board of Trustees of the University shall expressly authorize such Interest Rate Hedge Agreement (including without limitation all covenants and collateral security, if any) and expressly determines that such Interest Rate Hedge Agreement is in the best interest of the University.

In addition, for so long as any Debt of the University is deemed to bear interest at a rate taking into account any Interest Rate Hedge Agreement (pursuant to the definition of “Debt Service Requirement” herein), any payments made by the University on such Interest Rate Hedge Agreement shall be excluded from expenses, and any payments received by the University on such Interest Rate Hedge Agreement shall be excluded as revenues, for purposes of any financial or accounting computations required under this Loan Agreement.

Section 5.5 Coverage Ratio Covenant.

(a) The University covenants and agrees to maintain, as of the last day of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2025, a Coverage Ratio equal to at least 105% (the “Coverage Ratio Covenant”). For the purpose of calculating the Coverage Ratio for any particular Fiscal Year under this Section 5.5(a), (i) there shall be added to the Net Revenues Available for Debt Service for such Fiscal Year any unrestricted funds of the University that have not otherwise been taken into account in such calculation and that are available for the payment of debt service on Indebtedness of the University, and (ii) only the Debt Service Requirements on Long Term Debt that constitutes a Parity Obligation shall be taken into account.

(b) If the University’s Coverage Ratio for any Fiscal Year, calculated as provided in the preceding paragraph, is less than 105%, the University shall take such reasonable and prudent action as shall, in the judgment of the Board of Trustees of the University (as evidenced by a resolution of the Board of Trustees of the University, or an appropriate committee thereof, delivered to the Trustee), be necessary to enable the University to achieve a Coverage Ratio as so calculated, of at least 105% for the next ensuing Fiscal Year.

(c) The failure of the University to achieve the Coverage Ratio, calculated as provided in Section 5.5(a), of at least 105% in any Fiscal Year shall not constitute an Event of Default so long as the University has in good faith adopted an annual operating budget for such Fiscal Year that is reasonably expected to enable the University to achieve a Coverage Ratio of at least 105% and the University otherwise complies with the requirements of this Section 5.5.

Section 5.6 Litigation Notice. The University shall give the Trustee and the Authority prompt written notice of the commencement of any action, suit or proceeding against it at law or in equity, or before any governmental instrumentality or agency, which, if adversely determined, would in the judgement of the University, taking into any account reasonably expected insurance coverage, materially and adversely impair the financial condition of the University.

Section 5.7 Indemnification. The University will indemnify and hold harmless the Authority and each past, present and future member, officer, employee, attorney and agent of the Authority for and against any and all claims, losses, damages or liabilities (including the costs and expenses of investigating or defending against any such claims) to which the Authority or any past, present or future member, officer, employee or agent of the Authority may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise directly or indirectly out of (a) any breach or default on the part of the University in the performance of any covenant or agreement of the University hereunder or under any related document, or arising from any act or failure to act by the University or any of its agents, contractors, servants, employees or licensees; (b) the authorization, issuance and sale of the 2025A Bonds, or the provision of any information or certification furnished in connection therewith concerning the 2025A Bonds, the Project or the University (including, without limitation, any information furnished by the University for inclusion in any certification made by the Authority or for inclusion in, or as a basis for preparation of, the information statements furnished by the Authority and any information or certification obtained from the University); (c) the University's failure to comply with any requirements of this Loan Agreement pertaining to compliance with the Code to assure such exclusion of the interest or the provisions set forth in Section 5.10 and Section 5.11; (d) any failure by the University to comply with the provisions of the Act; and (e) any claim, action or proceeding brought with respect to any matter set forth in clause (a), (b), (c) or (d) above.

The University covenants and agrees to hold the Trustee and its directors, officers, employees and agents (collectively, the "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, legal fees, costs and expenses, the allocated costs and expenses of in-house counsel and legal staff and the costs and expenses of defending or preparing to defend against any claim ("Losses") that may be imposed on, incurred by, or asserted against the Indemnitees or any of them for following any instruction or other direction upon which the Trustee is authorized to rely pursuant to the terms of this Loan Agreement and the Indenture. 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 performance under this Loan Agreement and the Indenture, provided the trustee has not acted with gross negligence or engaged in willful misconduct. The provisions of this Section 5.7 shall survive the termination of this Loan Agreement and the Indenture and the resignation or removal of the Trustee for any reason and shall inure to the benefit of the Trustee's successors and assigns.

In case any action or proceeding is brought against the Authority or the Trustee or other indemnified party in respect of which indemnity may be sought hereunder, the party seeking indemnity promptly shall give notice of that action or proceeding to the University, and the University upon receipt of that notice shall have the obligation and the right to assume the defense

of the action or proceeding; provided that failure of a party to give that notice shall not relieve the University from any of its obligations under this Section unless (and then only to the extent) that failure prejudices the defense of the action or proceeding by the University. Any one or more of the indemnified parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment thereof has been specifically authorized by the University; (ii) the University has failed to assume promptly the defense and employ counsel satisfactory to such indemnified party; or (iii) the named parties to any such action (including any impleaded parties) include both such indemnified party and the University, and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to it which are in conflict with those available to the University (in which case the University shall not have the right to assume the defense of such action on behalf of such indemnified party, in any of which events such fees and expenses shall be borne by the University. The University shall not be liable for any settlement made without its consent, which shall not be unreasonably withheld. The University shall not make any settlement affecting the Trustee without the Trustee's prior written consent, which shall not be unreasonably withheld.

The indemnification set forth above is intended to and shall (i) include the indemnification of all affected members, directors, officers, agents, attorneys and employees of the Authority and of the Trustee, (ii) be enforceable by the members, officers, employees of the Authority and of the Trustee, to the full extent permitted by law, and (iii) survive the termination of this Loan Agreement and the Indenture.

Section 5.8 Permitted Indebtedness. The University covenants and agrees that it will not hereafter incur or assume (the terms "incur" and "assume", for the purposes hereof, to mean and include the guaranteeing of or the direct or indirect assumption of liability for the Debt of a third party) any Debt other than (1) Debt constituting "Permitted Indebtedness" in the definition of such term contained in Section 1.2, or (2) Debt as hereinafter permitted, which are in the aggregate referred to hereinafter as "Permitted Indebtedness." No such additional Debt may be incurred or assumed if and so long as any Event of Default shall have occurred and be continuing and such Event of Default will not be effectively eliminated or cured by such additional Debt.

(a) The University may from time to time incur or assume Long Term Debt if on or before the date on which any Long Term Debt is to be incurred or assumed, the University shall deliver to the Trustee a certificate of the chief financial officer of the University in form and substance acceptable to the Trustee demonstrating (i) the Coverage Ratio in the last Fiscal Year for which audited financial statements are available preceding the incurrence or assumption of the Long Term Debt was not less than 105% during such Fiscal Year; and (ii) the Coverage Ratio on all Long Term Debt to be outstanding as projected for the one full Fiscal Year next following the incurrence of any additional Long Term Debt, or in the case of Long Term Debt incurred for purposes of construction of capital improvements, the one full Fiscal Year following the placement into service of such improvements (and after which interest is no longer paid from interest reserves or escrow funds established with proceeds of such Long Term Debt to be incurred), is projected to be not less than 105% during such Fiscal Year.

(b) The University may from time to time incur or assume Long Term Debt without delivering the certificate required by Section 5.8(a) hereof, if the amount of such Long

Term Debt, together with the aggregate principal amount of Long Term Debt outstanding that was previously incurred pursuant to this section 5.8(b), does not exceed 5% of the Unrestricted Revenues for the immediately preceding Fiscal Year for which audited financial statements are available.

The University may subsequently qualify Long Term Debt originally incurred or assumed pursuant to this section 5.8(b) by the delivery to the Trustee of the certificate required by section 5.8(a), whether as a condition to the incurrence of additional Long Term Debt or otherwise.

Upon the delivery of such certificate, the Long Term Debt originally qualified under this Section 5.8(b) shall no longer count towards the special 5% limitation set forth in this Section 5.8(b), and the University may incur or assume additional Long Term Debt in accordance with this Section 5.8(b), provided that the principal amount of such Long Term Debt incurred shall not exceed the 5% limit described herein.

(c) The University may from time to time incur or assume Long Term Debt for purposes of refunding outstanding Long Term Debt; *provided, however*, that such Long Term Debt is issued solely to refund other Long Term, and, to the extent applicable, to fund any required reserve fund deposit securing such refunding Long Term Debt, and to pay costs of issuance related thereto; and *provided further*, that this Section 5.8(c) shall not apply to the incurrence of Long Term Debt for the purpose of refunding Non-Recourse Debt or Subordinate Debt.

(d) The University may from time to time incur or assume Completion Debt, provided that the aggregate principal amount of such Completion Debt does not exceed, with respect to the particular capital project for which it is issued, the lesser of (i) 15% of the original principal amount of the Long Term Debt originally incurred or assumed for that capital project or (ii) the amount of money needed to complete such capital project, as certified to the Trustee and the Authority by a Consultant.

(e) The University may, from time to time, incur or assume Debt in the form of Capital Leases, installment purchase contracts or purchase money debt with respect to equipment or other tangible personal property, provided that the Average Annual Debt Service Requirement with respect to all Debt described in this subsection (e) outstanding at the time, including the Debt proposed to be incurred under the authority of this subsection (e), does not exceed two percent (2%) of Unrestricted Revenues for the most recently completed Fiscal Year for which audited financial statements are available.

(f) The University may, from time to time, issue or otherwise enter into a Guaranty, provided that the Guaranty shall be deemed to be Debt of the University of the corresponding type classified and defined in this Loan Agreement (e.g., Long Term Debt, Limited Term Debt, Balloon Debt, Variable Rate Debt, etc.) and the University must satisfy the relevant test for incurring or assuming such type of Debt under this Section 5.8, using (if appropriate) the calculation rules for Guaranteed Debt set forth under the definition of “Debt Service Requirement” in this Loan Agreement.

(g) The University may from time to time incur or assume Reimbursement Debt without limit. No additional or new Debt shall be deemed to arise when any funding occurs under the credit or liquidity facility or commitment that gave rise to such Reimbursement Debt.

(h) The University may, from time to time, incur or assume Limited Term Debt and a Revolving Line of Credit provided that, at the time such Limited Term Debt or Revolving Line of Credit is initially incurred, the principal amount thereof, when added to the outstanding principal amount of any then-existing Limited Term Debt and Revolving Line of Credit (without duplication), does not exceed 20% of Unrestricted Revenues for the latest preceding Fiscal Year for which audited financial statements are available. With respect to any Revolving Line of Credit, (i) the outstanding principal amount thereof shall be deemed to be maximum amount committed to be loaned or available to be borrowed thereunder, whether or not such amount or any portion thereof is or has been actually borrowed, and (ii) the University shall be deemed to have incurred Debt thereunder in the total committed amount thereof at the time it initially enters into the relevant loan or credit agreement with the lender evidencing the Revolving Line of Credit (whether or not the University makes any actual borrowing at such time), but not at the time of each subsequent borrowing or advance thereunder, and not at the time of any extension or renewal thereof, unless such extension or renewal provides for an increase in the amount available to be borrowed thereunder. In such case, only the incremental increase in the committed amount of the Revolving Line of Credit shall be treated as the incurrence of new Debt as of the time of such increase.

(i) The University may from time to time incur or assume Non-Recourse Debt without limit.

(j) The University may from time to time incur or assume Subordinate Debt without limit.

(k) No additional or new Debt shall be deemed to arise when the interest rate on any Variable Rate Debt is converted to a fixed rate in accordance with the terms of such Debt or when the method of computing the variable interest rate on such Variable Rate Debt is changed in accordance with the terms of such Debt.

Section 5.9 Security for Permitted Indebtedness. Any Permitted Indebtedness incurred or assumed as provided in the definition of such term in Section 1.2 above, Section 5.8 above, or Interest Rate Hedge Agreement incurred as provided in Section 5.4 above, may be secured only as hereinafter provided:

(a) Long Term Debt and Limited Term Debt (including without limitation any Reimbursement Debt and any Guaranty) and any Revolving Line of Credit and the Periodic Scheduled Payments and Termination Payments of the University under Interest Rate Hedge Agreements entered into in compliance with Section 5.4 hereof may be unsecured or may be secured by collateral other than Shared Collateral or may be designated as Parity Obligations pursuant to the Collateral Agency Agreement, and if designated as Parity Obligations shall be secured equally and ratably with the holders of other Parity Obligations by the Liens on the Shared Collateral created under the Shared Security Documents, provided that:

(i) such Debt or Interest Rate Hedge Agreement is expressly designated and recognized as a Parity Obligation in a joinder supplement executed by the University, the Collateral Agent and the holder of such Debt or counterparty to such Interest Rate Hedge Agreement as required under the Collateral Agency Agreement, in which joinder supplement such holder or counterparty expressly agrees to be bound by the terms and provisions of the Collateral Agency Agreement; and

(ii) except for commercially reasonable debt service funds or debt service reserve funds or other funds containing unexpended proceeds of Parity Obligations held by a trustee or other fiduciary or agent or by a debt holder under a trust indenture or other security instrument for the benefit of the holder or holders of any particular Parity Obligations (including without limitation the Debt Service Fund, the Debt Service Reserve Fund and the Project Fund held by the Trustee under the Indenture), and except for any contractual, common law or statutory right of set off or banker's lien with respect to any deposits of the Borrower maintained with or held by such financial institution or any affiliate thereof granted to any financial institution providing any Revolving Line of Credit or Interest Rate Hedge Agreement, no Lien on any other or additional collateral may be granted by the University to secure the holder of any Parity Obligation unless such Lien is granted to the Collateral Agent for the equal and ratable benefit of the holders of all Parity Obligations and the document or instrument creating such Lien is in form and substance satisfactory to the Authority, the Trustee, and the Collateral Agent and is expressly designated as a Shared Security Document pursuant to the Collateral Agency Agreement.

(b) Long-Term Debt incurred under Section 5.08(c) hereof may be secured in the same manner as the Long-Term Debt which it refunds.

(c) Non-Recourse Debt or Capital Leases incurred or assumed by the University to finance the acquisition of equipment or tangible personal property may be secured solely by a purchase money security interest in the equipment or tangible personal property acquired with the proceeds of the Non-Recourse Debt or leased under the Capital Lease, and Non-Recourse Debt incurred or assumed by the University to finance the construction or acquisition of any other property may be secured solely by revenues derived from the operation or sale of the financed property and/or a mortgage lien on or security interest in the financed property and not by a Lien on any Shared Collateral.

(d) Debt incurred or assumed by the University for the purpose of financing all or a portion of the price of purchasing or acquiring any equipment or other tangible personal property (including without limitation an installment sale agreement, financing lease or other form of purchase money debt) may be secured by a Lien on the equipment or tangible personal property being purchased or acquired.

(e) Bonds issued under the Indenture may be secured as provided therein, but in no event shall any other Debt other than Bonds (including any Additional Bonds which may be issued under the Indenture) be secured by a lien on the moneys and investments held by the Trustee in the funds created under the Indenture.

(f) Any Debt may be secured by a Lien on Shared Collateral that is expressly junior and subordinate in rank and priority to the Lien on such Shared Collateral securing Parity Obligations, or may otherwise be expressly designated as Debt subordinated to Parity Obligations (such Debt being herein referred to as “Subordinate Debt”), provided that:

(i) The documents and instruments evidencing such Subordinate Debt must expressly provide that the principal of such Subordinate Debt may not be accelerated without the prior written consent of the holders of all Parity Obligations.

(ii) The Subordinate Debt, and any renewals or extensions thereof, shall at all times be wholly subordinate and junior in right of payment to all Parity Obligations, in the manner and with the force and effect hereafter set forth:

(A) In the event of any liquidation, dissolution or winding up of the University, or of any execution, sale, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or other similar proceedings relative to the University or its property, all principal, interest and other amounts owing on all Parity Obligations shall first be paid in full before any payment is made upon the Subordinate Debt, provided, however, that this sentence shall not apply to payments made on such Subordinate Debt from the proceeds of any collateral specifically securing such Subordinated Debt other than Shared Collateral, and any payment or distribution of any kind or character from Shared Collateral, which shall be made upon or in respect of the Subordinate Debt shall be paid over to the Collateral Agent for application *pro rata* to the payment of Parity Obligations unless and until all such Parity Obligations shall have been paid or satisfied in full; and

(B) In the event that the Subordinate Debt is declared or becomes due and payable because of the occurrence of any Event of Default hereunder or under the Indenture or otherwise than at the option of the University, under circumstances when the foregoing clause (A) shall not be applicable, the holders of the Subordinate Debt shall be entitled to payments only after there shall first have been paid in full all Parity Obligations outstanding at the time the Subordinate Debt so becomes due and payable because of any such event, or payment shall have been provided for in a manner satisfactory to the holders of such Parity Obligations, provided, however, that, except for Shared Collateral, this sentence shall not apply to payments made on such Subordinate Debt from the proceeds of any collateral specifically securing such Subordinate Debt.

(iii) The University agrees, for the benefit of the holders of Parity Obligations, that in the event that any Subordinate Debt is declared due and payable before its expressed maturity because of the occurrence of a default hereunder, (A) the University will give prompt notice in writing of such happening to the holders of the Parity Obligations and (B) all Parity Obligations shall forthwith become immediately due and payable upon demand, regardless of the expressed maturity thereof.

(iv) If the holder of the Subordinate Debt is a commercial bank, savings bank, savings and loan association or other financial institution which is authorized by law

to accept and hold deposits of money or issue certificates of deposit, such holder must agree to waive any common law or statutory right of setoff with respect to any deposits of the University maintained with or held by such holder.

(v) Obligations of the University under an Interest Rate Hedge Agreement (including, without limitation, Periodic Scheduled Payments and Termination Payments) may be secured by a Lien on Shared Collateral that is expressly junior and subordinate in rank and priority to the Lien on such Shared Collateral securing Parity Obligations in the same manner as described in this Section 5.9(f) with respect to Subordinate Debt, *mutatis mutandis*.

(g) Debt incurred or assumed by the University for the purpose of financing the acquisition, construction, renovation or improvement of any real property or fixtures that are not part of the University Facilities may be secured by a Lien on such real property or fixtures that need not be made part of the Shared Collateral.

Section 5.10 Tax Covenants of University. The University covenants and represents that it will at all times do and perform all acts and things necessary or desirable and within its reasonable control in order to assure that interest paid on the 2025A Bonds shall not be includable in the gross income of any Holder for federal income tax purposes. The University also covenants and represents that it shall not take or omit to take, or permit to be taken on its behalf, any actions which, if taken or omitted, would adversely affect the excludability from the gross income of the Holders of interest paid on the 2025A Bonds for federal income tax purposes. The University covenants for the benefit of the Holders that it will not use the proceeds of the 2025A Bonds, any moneys derived, directly or indirectly, from the use or investment thereof or any other moneys on deposit in any fund or account maintained in respect of the 2025A Bonds (whether such moneys were derived from the proceeds of the sale of the 2025A Bonds or from other sources) in a manner which would cause the 2025A Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Code or would otherwise violate Section 5.7 of the Indenture.

Section 5.11 Further Tax Covenants of University. The University further represents and covenants as follows:

(a) Action to Maintain Tax-Exempt Status. The University will take such actions as shall be necessary or desirable, from time to time and within its reasonable control, to cause all of the representations and warranties in this Section to remain true and correct during such periods as shall be necessary to maintain the exclusion of interest paid on the 2025A Bonds from the gross income of the Holders for federal income tax purposes, pursuant to the requirements of the Code. The University will not 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 such action or circumstance, or its expectation on the date of issuance of the 2025A Bonds, would cause the interest paid by the Authority on the 2025A Bonds to be subject to federal income tax in the hands of the Holders thereof.

(b) Maintenance of Tax-Exempt Status of University. The University (1) will take whatever actions are necessary for the University to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is (i) described in

Section 501(c)(3) of the Code, (ii) exempt from federal income taxes under Section 501(a) of the Code, and (iii) not a private foundation under Section 509(a) of the Code (or corresponding provisions of prior law); and (2) will not perform any acts or enter into any agreements which would cause any revocation or adverse modification of such federal income tax status.

(c) Ninety-five Percent Qualified Costs Test. No more than five percent (5%) of the net proceeds of the 2025A Bonds (less proceeds of the 2025A Bonds used to finance costs of issuance) will be used to finance costs of the Project used or to be used (i) in unrelated trades or businesses (within the meaning of Section 513(a) of the Code) of an organization described in Section 501(c)(3) of the Code (except for federal income tax on (A) its unrelated business income, if any, which is subject to tax under Section 511 of the Code, and (B) its political organization taxable income, if any, which is subject to tax under Section 527 of the Code), or (ii) in the trade or business of a person other than an organization described in Section 501(c)(3) of the Code or a governmental entity. The University will not use or permit to be used the University Facilities, in whole or in part, by any Person (including, without limitation, any lessee) in a manner which would result in a violation of this clause (c).

(d) Ownership of University Facilities. So long as the 2025A Bonds are outstanding, the facilities financed or refinanced by the 2025A Bonds will be owned by the University or another organization that is exempt from federal income taxes under Section 501(a) of the Code and described in Section 501(c)(3) of the Code, or a governmental entity.

(e) Prohibition on Financing Certain Facilities. The University will not use any of the proceeds of the 2025A Bonds to provide to the public residential rental property for family units, including any accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation which is available on other than a transient basis; provided that this restriction shall not apply to dormitories or fraternity and sorority houses. The University will not use any proceeds of the 2025A Bonds to provide any airplane, any sky box or other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(f) \$150,000,000 Limitation on Acquisition of Other Property, Mergers and Leases. If the taxability condition described below is present, then neither the University nor any Related Person with respect to the University or any Principal User of the University Facilities will, during the test period (as such term is defined in the Code) in respect of the 2025A Bonds, either (i) be or become a Principal User of a facility financed with Qualified 501(c)(3) Bonds, issued prior to the issuance of the 2025A Bonds (a “prior issue”) or (ii) merge with or become a Related Person with respect to a Principal User of a facility financed by a prior issue. The taxability condition is that (A) the prior issue is a Qualified 501(c)(3) Bond (i) issued on or before August 5, 1997, (ii) the proceeds of which were used to reimburse expenditures incurred on or before August 5, 1997, (iii) more than 5% of the net proceeds of which were used to pay working capital costs or (iv) the proceeds of which were used to refund any prior issue included in (i), (ii) or (iii); (B) the test period for the prior issue has not expired as of the date of issuance of the 2025A Bonds; and (C) the portion of the prior issue allocable under the Code to the University (or any Related Person with respect to the University), or any other Principal User of the University Facilities (or any Related Person with respect to such Principal User), when added to the outstanding amount of the 2025A Bonds and any other prior issues allocable under the Code to the University (or any such

Related Person), or such Principal User (or any such Related Person), as the case may be, would exceed \$150,000,000. For purposes of the foregoing \$150,000,000 limit, two or more organizations under common management or control will be treated as one organization. The University hereby represents that, as of the date of issuance of the 2025A Bonds, the foregoing taxability condition is not present.

(g) Lease of University Facilities. The University shall not enter into any lease or other grant of the use of the University Facilities which results in the violation of the covenants set forth herein.

(h) Bond Maturity Limitation. The weighted average maturity of the 2025A Bonds, as determined pursuant to Section 147(b) of the Code, shall not exceed 120% of the average reasonably expected or remaining economic life of the property financed or refinanced with the proceeds of the 2025A Bonds.

(i) Arbitrage Rebate. Subject to the requirements set forth in Section 4.7 of the Indenture:

(i) The University shall determine or retain a Financial Consultant to determine, within 60 days of the end of each Computation Date (as defined in the Indenture) the amount required to be rebated to the United States pursuant to Section 148(f) of the Code. Notwithstanding the foregoing, the University shall not be required to make such determination if there have been no investments made of amounts on deposit in any fund or account established under the Indenture in “nonpurpose investments” (as defined in Section 148(f)(6) of the Code) having a yield higher than the yield of the 2025A Bonds since the last Computation Date, and the University shall not be required to make such determination with respect to any portion of the 2025A Bonds which is exempt from rebate by virtue of the six-month, 18-month, or two-year construction issue rebate exemptions of Section 148 of the Code.

(ii) The University shall pay, or cause to be paid, to the United States Treasury (A) not less frequently than 60 days after every Computation Date, an amount, as determined by the University or a Financial Consultant, at least equal to 90% of the amount required to be rebated pursuant to Section 148(f) of the Code with respect to the 2025A Bonds, giving effect to any prior payments made pursuant to this paragraph, and (B) not later than sixty (60) days after the retirement of the last 2025A Bond or 2025A Bonds, 100% of the aggregate amount required to be rebated pursuant to Section 148(f) of the Code.

(iii) The provisions of this Section 5.11(i) may be amended or deleted from this Loan Agreement upon receipt by the Trustee and the Authority of an opinion of Bond Counsel that such amendment or deletion will not adversely affect the exclusion from gross income for federal tax purposes of interest on the 2025A Bonds.

(iv) The University will pay to or for the account of the Authority all amounts needed to comply with the requirements of Section 148 of the Code concerning arbitrage bonds, including Section 148(f), which requires generally a rebate payment to the

United States of arbitrage profit from investment of the proceeds of the 2025A Bonds in obligations other than tax-exempt obligations. The obligation of the University to make such payments is unconditional and is not limited to funds representing the proceeds of the 2025A Bonds or income from the investment thereof or any other particular source.

(j) Nonpurpose Investments. After the expiration of any applicable temporary period under Section 148(c) of the Code, not more than the lesser of 5% or \$100,000 of the gross proceeds of the 2025A Bonds (in addition to the amounts allowed under Sections 148(c) and (d) of the Code and subject to the yield adjustment provisions of Treasury Regulations §1.148-5(c)) will be invested in higher yielding investments.

At no time will any funds constituting gross proceeds of the 2025A Bonds be used to acquire investments at other than fair market value within the meaning of the applicable Treasury Regulations pertaining to, or in any other fashion as would constitute failure of compliance with, Section 148 of the Code. Investments or deposits in certificates of deposit or pursuant to investment contracts shall not be made without compliance, at or prior to such investment or deposit, with the requirements of Treasury Regulations §1.148-5(d)(6)(ii) and (iii), respectively, or with any successor provisions thereto.

The terms “gross proceeds”, “yield”, “nonpurpose investments” and “higher yielding investments” have the meanings assigned to them for purposes of Section 148 of the Code.

(k) Certain Purchases of Authority Bonds Prohibited. The University covenants that during the term of this Loan Agreement, it will not purchase, or permit any “related person” (as defined in Section 147(a)(2) of the Code) to purchase, pursuant to any arrangement, formal or informal, the bonds issued by the Authority for the benefit of any 501(c)(3) organization in an amount related to the amount of the loan hereunder.

(l) Negative Pledge on Assets. So long as the 2025A Bonds are outstanding, the University shall not grant any Lien upon any of the University Facilities except Permitted Encumbrances.

Section 5.12 Environmental Matters. The University covenants to comply in all material respects with all applicable federal, state and local laws, ordinances, rules and regulations pertaining to the environment (collectively, “Environmental Laws”), including, without limitation, those regulating hazardous or toxic wastes and substances (as such phrases may be defined in any Environmental Law), and to give prompt written notice to the Trustee and the Authority of any material violation or alleged material violation of any Environmental Law with respect to the University’s property. The University will indemnify and defend the Authority and the Trustee and their directors, officers, employees and agents, and hold the Trustee and the Authority harmless from, any loss, liability, damage, claim, action or cause of action, including, without limitation, court costs and reasonable attorney’s fees, costs and expenses and the allocated costs of in-house counsel and legal staff, consultants’ fees, costs and expenses and any clean-up or remediation costs, arising from any violation or alleged violation by the University of any Environmental Law with respect to the University’s property. This Section 5.12 shall survive the termination of this Loan Agreement and the Indenture and the resignation or removal of the Trustee for any reason and shall inure to the benefit of the Trustee’s successors and assigns.

Section 5.13 Continuing Disclosure. The University hereby covenants and agrees to comply, or to cause compliance with, its obligations under the Continuing Disclosure Agreement executed and delivered by the University in connection with the issuance of the 2025A Bonds (the “Continuing Disclosure Agreement”). Notwithstanding any other provision of this Loan Agreement, failure of the University to comply, or cause compliance with, its obligations under the Continuing Disclosure Agreement, or any other requirements of U.S. Securities and Exchange Commission Rule 15c2-12, as it may from time to time hereafter be amended or supplemented, shall not be considered an Event of Default.

Section 5.14 Nondiscrimination/Sexual Harassment. The University hereby accepts and agrees, solely with respect to the Project, to be bound by the Nondiscrimination/Sexual Harassment clause set forth in Exhibit B attached hereto. As used in Exhibit B attached hereto, the term “Contractor” shall mean the University.

Section 5.15 Right-to-Know. In connection with the Project, the University hereby agrees to assist the Authority with respect to the Authority’s compliance with the Right-to-Know Law set forth in Exhibit C attached hereto. As used in Exhibit C attached hereto, the term “Contractor” shall mean the University.

(End of Article V)

ARTICLE VI
REDEMPTION OF 2025A BONDS

Section 6.1 Optional Redemption. Provided no Event of Default has been declared in writing by the Trustee, at any time and from time to time, the University may deliver or cause to be delivered Loan Payments to the Trustee in addition to the scheduled Loan Payments required to be made under Section 4.2 and direct the Trustee in writing to use the Loan Payments so delivered for the purpose of calling all or a portion of the 2025A Bonds for optional redemption in accordance with the applicable provisions of the Indenture and redeeming such 2025A Bonds at the redemption price stated in the Indenture. Such Loan Payments shall be held and applied as provided in Section 4.2 of the Indenture and delivery thereof shall not operate to abate or postpone Loan Payments otherwise becoming due or to alter or suspend any other obligations of the University under this Loan Agreement. Whenever the 2025A Bonds are subject to optional redemption pursuant to the Indenture, the Authority will, but only upon direction of the University, direct the Trustee to call the same for redemption as provided in the Indenture.

Section 6.2 Actions by Authority. At the request of the University or the Trustee, the Authority shall take all steps required of it under the applicable provisions of the Indenture or the 2025A Bonds to effect the redemption of all or a portion of the 2025A Bonds pursuant to this Article.

(End of Article VI)

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default. Each of the following shall be an Event of Default:

(a) Failure by the University to make or cause to be made any Loan Payment on or prior to the date on which such payment is due and payable;

(b) Failure by the University to observe and perform any other agreement, term or condition contained in this Loan Agreement and continuation of such failure for a period of 30 days after written notice thereof shall have been given to the University by Trustee, or for such longer period as the Trustee may agree to in writing but in no event longer than one hundred twenty (120) days; provided that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, such failure shall not constitute an Event of Default so long as the University institutes curative action within the applicable period and diligently pursues such action to completion;

(c) The University shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of itself or of its property, or (ii) admit in writing its inability to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) be adjudicated a bankrupt or insolvent, or (v) commence a voluntary case under the United States Bankruptcy Code, or file a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief, or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, or insolvency proceeding, or action shall be taken by it for the purpose of effecting any of the foregoing, or (vi) have instituted against it, without the application, approval or consent of the University, a proceeding in any court of competent jurisdiction, under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking in respect of the University an order for relief or an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like of the University or of all or any substantial part of its assets, or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested by the University in good faith, the same shall (A) result in the entry of an order for relief or any such adjudication or appointment or (B) remain unvacated, undismissed and undischarged for a period of 120 days;

(d) Any representation or warranty made by the University herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Loan Agreement or with the purchase of the 2025A Bonds shall at any time prove to have been false or misleading in any material respect when made or given;

(e) The occurrence and continuance of an Event of Default under the Indenture;
and

(f) the University (i) shall default (as principal or as guaranty or other surety) in any payment of principal of or interest on any obligation (or set of related obligations)

constituting a Parity Obligation beyond any period of grace with respect thereto or, if such obligation or obligations is or are payable or repayable on demand, shall fail to pay or repay such obligation or obligations when demanded, or (ii) shall default in the observance of any covenant, term or condition contained in any agreement or instrument by which such obligation or obligations constituting a Parity Obligation is or are created, secured or evidenced, if the effect of such default is to cause, or to permit the holder or holders of such obligation or obligations (or a trustee or agent on behalf of such holder or holders) to cause, all or part of such obligation or obligations to become due (or, in the case of any Interest Rate Hedge Agreement, to be terminated) before its or their otherwise stated maturity or expiration date.

The declaration of an Event of Default under paragraph (c) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 7.2 Remedies on Default.

(a) Whenever an Event of Default shall have happened and be subsisting, any one or more of the following remedial steps may be taken:

(i) If acceleration of the principal amount of the 2025A Bonds has been declared pursuant to Section 6.3 of the Indenture, the Trustee shall declare all Loan Payments to be immediately due and payable, whereupon the same shall become immediately due and payable; and

(ii) The Trustee may pursue any and all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Loan Agreement or to enforce the performance and observance of any other obligation or agreement of the University under this Loan Agreement, including taking or directing any actions or remedies available under the Shared Security Documents or in respect of any Shared Collateral.

(b) The University covenants that, in the event of acceleration of all Loan Payments pursuant to this Section 7.2, then, upon demand of the Trustee, the University will pay to the Trustee the whole amount of Loan Payments that then shall have become due and payable hereunder; and, in addition thereto, any unpaid Additional Payments and such further amounts as shall be sufficient to cover the costs and expenses of collection, including a reasonable compensation to the Trustee, its agents and counsel, and any reasonable and documented expenses or liabilities incurred by the Trustee. In case the University shall fail forthwith to pay such amounts upon such demand, the Trustee shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid.

(c) In case there shall be pending proceedings for the bankruptcy or reorganization of the University under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the benefit of the creditors or the property of the University, the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount due hereunder, including

interest owing and unpaid in respect thereof, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the University, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its fees, charges and expenses. Any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Trustee, and to pay to the Trustee any amount due it for compensation and expenses, including counsel fees and expenses incurred by it up to the date of such distribution.

Notwithstanding the foregoing, the Trustee shall not be obligated to take any step which in its opinion will or might cause it to expend money or otherwise incur liability unless and until satisfactory indemnity has been furnished to the Trustee at no cost or expense to the Trustee. Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of Bonds Debt Service collected pursuant to action taken under this Section shall be paid into the Debt Service Fund and applied in accordance with the provisions of the Indenture or, if the outstanding 2025A Bonds have been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in Article IX of the Indenture for transfers of remaining amounts in the Debt Service Fund.

The provisions of this Section are subject to the further limitation that the annulment by the Trustee of its declaration that all of the 2025A Bonds are immediately due and payable also shall constitute an annulment of any corresponding declaration made pursuant to Subsection 7.2(a)(i); provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Section 7.3 Remedies Not Exclusive. No remedy conferred upon or reserved to the Authority or the Trustee by this Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair that right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made herein.

Section 7.4 Payment of Legal Fees, Costs and Expenses. If an Event of Default should occur and the Authority, the Trustee should incur costs or expenses, including reasonable attorneys' fees, costs and expenses, in connection with, among other things, the protection of their respective rights under this Loan Agreement, the enforcement of this Loan Agreement or the collection of sums due thereunder, the University shall pay or reimburse the Authority and the Trustee, as applicable, for the costs and expenses so incurred, upon demand.

Section 7.5 No Waiver. No failure by the Authority or the Trustee to insist upon the strict performance by the University of any provision hereof shall constitute a waiver of their right to strict performance and no express waiver shall be deemed to apply to any other existing or

subsequent right to remedy the failure by the University to observe or comply with any provision hereof. The Trustee may waive any Event of Default hereunder.

Section 7.6 Notice of Default. The University shall notify the Trustee in writing immediately if it becomes aware of the occurrence of any Event of Default hereunder.

(End of Article VII)

ARTICLE VIII MISCELLANEOUS

Section 8.1 Term of Agreement. This Loan Agreement shall be and remain in full force and effect from the date hereof until such time as all of the 2025A Bonds shall have been fully paid (or provision made for such payment) pursuant to the Indenture, the Indenture shall have been released pursuant to Section 9.1 thereof, and all other sums payable by the University under this Loan Agreement shall have been paid, except for indemnification obligations of the University under Section 5.7 and Section 5.12, which shall survive any termination of this Loan Agreement.

Section 8.2 Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid and addressed as specified in Section 10.3 of the Indenture and, if by Electronic Means, as provided in Section 7.14 of the Indenture.

Section 8.3 Limitation of Liability, No Personal Liability. In the exercise of the powers of the Authority or the Trustee hereunder or under the Indenture, including without limitation the application of moneys and the investment of funds, neither the Authority, the Trustee, nor their past, present and future members, officers, employees or agents shall be accountable to the University for any action taken or omitted by any of them in good faith and with the belief that it is authorized or within the discretion or rights or powers conferred except for those done or undertaken (i) with gross negligence, (ii) willful misconduct or (iii) breach of any applicable law. The Authority, the Trustee and their past, present and future members, officers, employees and agents shall be protected in acting upon any paper or document believed to be genuine, and any of them 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. In the event of any default by the Authority hereunder, the liability of the Authority to the University shall be enforceable only out of the Authority's interest under this Loan Agreement and there shall be no other recourse for damages by the University against the Authority, its past, present and future members, officers, attorneys, agents and employees, or any of the property now or hereafter owned by it or them. All covenants, obligations and agreements of the Authority contained in this Loan Agreement or the Indenture shall be effective to the extent authorized and permitted by applicable law. No official executing the 2025A Bonds shall be liable personally on the 2025A Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Authority contained in this Loan Agreement or the Indenture.

Section 8.4 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Authority, the University and their respective successors and assigns; provided that this Loan Agreement may not be assigned by the University (except in connection with a sale or transfer of assets pursuant to Section 5.1 or in compliance with Section 8.9) and may not be assigned by the Authority except to the Trustee pursuant to the Indenture or as otherwise may be necessary to enforce or secure payment of Debt Service. This Loan Agreement may be enforced only by the parties, their assignees and others who may, by law, stand in their respective places.

Section 8.5 Amendments. Except as otherwise expressly provided in this Loan Agreement or the Indenture, subsequent to the issuance of the 2025A Bonds and unless and until all conditions provided for in the Indenture for release of the Indenture having been met, this Loan Agreement may not be effectively amended, modified or terminated except by an instrument in writing signed by the University and the Authority, consented to by the Trustee, and in accordance with the provisions of Article VIII of the Indenture, as applicable.

Section 8.6 Counterparts. This Loan Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same instrument.

Section 8.7 Severability. If any provision of this Loan Agreement is determined by a court to be invalid or unenforceable, such determination shall not affect any other provision hereof, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. Such invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision shall be deemed to be effective, operative and entered into in the manner and to the full extent permitted by applicable law.

Section 8.8 Governing Law. This Loan Agreement shall be deemed to be a contract made under the laws of the Commonwealth and for all purposes shall be governed by and construed in accordance with the laws of the Commonwealth without regard to conflict of law principles.

Section 8.9 Assignment. The University shall not assign this Loan Agreement or any interest of the University herein, either in whole or in part, without the prior written consent of the Trustee, which consent shall be given if the following conditions are fulfilled: (i) the assignee assumes in writing all of the obligations of the University hereunder; (ii) in the opinion of Counsel to the University, neither the validity nor the enforceability of this Loan Agreement shall be adversely affected by such assignment; (iii) the Project shall continue in the opinion of Bond Counsel to be a “Project” as such term is defined in the Act after such assignment; (iv) such assignment shall not, in the opinion of Bond Counsel, have an adverse effect on the exclusion from gross income for federal income tax purposes of interest on the 2025A Bonds; and (v) consent by the Authority, which consent shall not be unreasonably withheld. Subject to the foregoing, the terms “Authority”, “University” and “Trustee” shall, where the context requires, include the respective successors and assigns of such persons. No assignment pursuant to this Section shall release the University from its obligations under this Loan Agreement.

Section 8.10 Receipt of Indenture. The University hereby acknowledges that it has received an executed copy of the Indenture and is familiar with its provisions, and agrees that it is subject to and bound by the terms thereof and 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 Holders thereunder and that it will not take any action which would cause a default thereunder. Any redemption of 2025A Bonds prior to maturity shall be effected as provided in the Indenture.

(Signature Pages Follow)

IN WITNESS WHEREOF, the Authority and the University, intending to be legally bound, have caused this Loan Agreement to be duly executed in their respective names, all as of the date first above written.

ATTEST:

PENNSYLVANIA ECONOMIC DEVELOPMENT
FINANCING AUTHORITY

(Assistant) Secretary

Executive Director

ATTEST:

EASTERN UNIVERSITY

This execution page is part of the Loan Agreement dated as of May 1, 2025, between Pennsylvania Economic Development Financing Authority and Eastern University.

EXHIBIT A
ASSIGNMENT

KNOW ALL PERSONS BY THESE PRESENTS that PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY (the “Authority”), pursuant to a Resolution of its Board heretofore duly adopted does hereby sell, assign, transfer, and set over to The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee (the “Trustee”) under the Trust Indenture dated as of May 1, 2025 (the “Indenture”) of the Authority, all of the right, title and interest of the Authority in and to the Loan Agreement dated as of May 1, 2025 (the “Loan Agreement”), between the Authority and Eastern University, and all loan payments and other amounts payable or which may become payable thereunder (except for amounts representing its Administrative Expenses (as such term is defined in the Loan Agreement), indemnification and reimbursement of its attorneys’ fees and expenses) and all security therefor, the same to be held in trust and applied by said Trustee as provided in said Indenture; and the Authority does hereby constitute and appoint the said Trustee its true and lawful attorney for it and in its name to collect and receive payment of any and all of said loan payments and other payments and to give good and sufficient receipts therefor, hereby ratifying and confirming all that said attorney may do in the premises, said Trustee may, but, except as otherwise provided in said Indenture, shall not be required to, institute any proceedings or take any action in its name or in the name of the Authority to enforce payment or collection of any or all of such loan payments and other payments.

Notwithstanding such assignment and transfer, so long as the Authority shall not be in default under the Indenture:

- (a) The Authority shall have the right to receive copies of notices, reports and similar matters required under the Loan Agreement;
- (b) The Authority shall have the right to give or withhold all consents and approvals required or permitted under the Loan Agreement;
- (c) The Authority shall have the right to execute any modifications, amendments or terminations of the Loan Agreement, to the extent and in the manner permitted by the Indenture; and
- (d) There shall be no responsibility on the part of the Trustee for duties or responsibilities of the Authority contained in the Loan Agreement or in any supplements and/or amendments thereto.

IN WITNESS WHEREOF, PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY has caused this Assignment to be duly executed in its name by its Chairperson or Executive Director and attested by its Secretary or Assistant Secretary, and this Assignment to be dated as of May ___, 2025.

ATTEST:

PENNSYLVANIA ECONOMIC DEVELOPMENT
FINANCING AUTHORITY

(Assistant) Secretary

Executive Director

EXHIBIT B

NONDISCRIMINATION/SEXUAL HARASSMENT

(last updated 10/31/2024)

During the term of this Agreement, the University agrees, with respect to the new capital projects being financed with proceeds of the Bonds (together, the “**Projects**”), and as to each occupant of the Projects controlling, controlled or under common control with the University (each of the University and such occupants are referred to individually as a “**Contractor**”), as follows:

NONDISCRIMINATION/SEXUAL HARASSMENT.

- a. **Representations.** The Contractor represents that it is presently in compliance with and will remain in compliance with all applicable federal, state, and local laws, regulations, and policies relating to nondiscrimination and sexual harassment for the term of the contract. The Contractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to its books, records, and accounts by the Commonwealth for the purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.
- b. **Nondiscrimination/Sexual Harassment Obligations.** The Contractor shall not:
 - i. in any manner discriminate in the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under this contract or any subcontract, by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act (“PHRA”) and applicable federal laws, against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
 - ii. in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under this contract.
 - iii. in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, in the provision of services under this contract.
 - iv. in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subcontractor or supplier who is qualified to perform the work to which this contract relates.

- v. in any manner discriminate against employees by reason of participation in or decision to refrain from participating in labor activities protected under the Public Employee Relations Act, Pennsylvania Labor Relations Act or National Labor Relations Act, as applicable and to the extent determined by entities charged with such Acts' enforcement and shall comply with any provision of law establishing organizations as employees' exclusive representatives.
- c. **Establishment of Contractor Policy.** The Contractor shall establish and maintain a written nondiscrimination and sexual harassment policy that complies with the applicable law and these Nondiscrimination/Sexual Harassment provisions and shall inform its employees in writing of the policy. The policy must contain a provision that states that sexual harassment will not be tolerated and employees who practice it will be disciplined. For the entire period of the contract, the Contractor shall: (1) post its written nondiscrimination and sexual harassment policy or these Nondiscrimination/Sexual Harassment provisions conspicuously in easily accessible and well-lighted places customarily frequented by employees at or near where the contracted services are performed; or (2) provide electronic notice of the policy or this clause to its employees not less than annually.
- d. **Notification of Violations.** The Contractor's obligations pursuant to these provisions are ongoing from the effective date and through the termination date of the contract. Accordingly, the Contractor shall notify the Commonwealth if, at any time during the term of this contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.
- e. **Cancellation or Termination of Contract.** The Commonwealth may cancel or terminate this contract and all money due or to become due under this contract may be forfeited for a violation of the terms and conditions of these Nondiscrimination/Sexual Harassment provisions. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.
- f. **Subcontracts.** The Contractor shall include these Nondiscrimination/Sexual Harassment provisions in its contracts with all subcontractors providing goods or services under this contract. The incorporation of these provisions in the Contractor's subcontracts does not create privity of contract between the Commonwealth and any subcontractor, and no third-party beneficiaries are created by those provisions. If the Contractor becomes aware of a subcontractor's violation of this clause, the Contractor shall use its best efforts to ensure the subcontractor's compliance with these provisions.

EXHIBIT C

RIGHT TO KNOW LAW

(last updated 10/31/2024)

RIGHT TO KNOW LAW.

- a. **Applicability.** The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, (“RTKL”) applies to this contract.
- b. **Contractor Assistance.** If the Commonwealth needs the Contractor’s assistance in any matter arising out of the RTKL related to this contract, the Commonwealth shall notify the Contractor that it requires the Contractor’s assistance, and the Contractor shall provide to the Commonwealth:
 - i. access to, and copies of, any document or information in the Contractor’s possession (Requested Information) arising out of this contract that the Commonwealth reasonably believes is a public record under the RTKL, within ten calendar days after receipt of written notification; and
 - ii. any other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this contract.
- c. **Trade Secret or Confidential Proprietary Information.** If the Contractor considers the Requested Information to include a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Contractor shall notify the Commonwealth and provide, within seven calendar days of receipt of the written notice a written statement, signed by a representative of the Contractor, that explains why the requested material is exempt from public disclosure under the RTKL. If the Commonwealth determines that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information to the Commonwealth within five business days of receipt of written notice of the Commonwealth’s determination.
- d. **Reimbursement.**
 - i. **Commonwealth Reimbursement.** If the Contractor fails to provide the Requested Information and the Commonwealth is ordered to produce the Requested Information, the Contractor shall reimburse the Commonwealth for any damages, penalties, or costs that the Commonwealth may incur as a result of the Contractor’s failure, including any statutory damages assessed against the Commonwealth.

- ii. **Contractor Reimbursement.** The Commonwealth will reimburse the Contractor for any costs that the Contractor incurs as a direct result of complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL.
- e. **Challenges of Commonwealth Release.** The Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Contractor shall reimburse the Commonwealth for any legal expenses incurred by the Commonwealth as a result of the challenge, including any damages, penalties or costs that the Commonwealth may incur as a result of the Contractor's legal challenge, regardless of the outcome.
- f. **Waiver.** As between the parties, the Contractor waives all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.
- g. **Survival.** The Contractor's obligations contained in this Section survive the termination or expiration of this contract.

[THIS PAGE INTENTIONALLY LEFT BLANK]

COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT

dated as of October 1, 2006

among

EASTERN UNIVERSITY,

DELAWARE COUNTY AUTHORITY,

**THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as 1999 Indenture Trustee,**

**THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as 2006 Indenture Trustee,**

ALLIED IRISH BANKS, p.l.c., New York Branch,

**EACH PERSON THAT MAY HEREAFTER BECOME PARTY HERETO AS AN
ADDITIONAL PARITY OBLIGEE,**

and

**THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Collateral Agent**

TABLE OF CONTENTS

ARTICLE 1 - DEFINITIONS; CONSTRUCTION	3
1.1. Certain Definitions.....	3
1.2. Construction.....	5
1.3. Additional Shared Security Documents.....	6
ARTICLE 2 - THE COLLATERAL AGENCY	6
2.1. Appointment	6
2.2. Exercise of Powers.....	7
2.3. Additional Parity Obligees.....	7
2.4. Amendments to Secured Party Documents.....	8
2.5. Certain Intercreditor Matters.....	8
ARTICLE 3 - SHARED SECURITY DOCUMENTS	9
3.1. General Relation to Shared Security Documents.....	9
3.2. Power of Attorney.....	9
3.3. Certain Rights After Event of Default	9
3.4. Right to Initiate Judicial Proceedings	10
3.5. Right to Appoint a Receiver	10
3.6. Remedies Not Exclusive, etc.	11
3.7. Certain Waivers.	12
3.8. Limitation on Collateral Agent's Duty in Respect of Shared Collateral	12
3.9. Fees, Taxes, etc	12
3.10. Maintenance of Liens.....	13
3.11. Further Assurances.....	13
ARTICLE 4 - DISTRIBUTIONS	13
4.1. Shared Collateral Account	13
4.2. Investment.....	14
4.3. Deposits.....	14
4.4. Distributions.....	14
4.5. Calculations.....	15
4.6. Application of Monies	15
ARTICLE 5 - THE COLLATERAL AGENT	16
5.1. General Nature of Duties	16
5.2. General Exculpation.....	16
5.3. Certain Disclaimers.....	16
5.4. Right to Require Indemnity	16
5.5. Delegation of Duties	17
5.6. Reliance, etc.	17
5.7. Representations, etc	17
5.8. Collateral Agent in Individual Capacity	18
5.9. Moneys to be Held As Agent.....	18

5.10. Compensation	18
5.11. Expenses	18
5.12. Indemnity	19
5.13. Indemnification by Secured Parties	19
5.14. [Reserved]	20
5.15. Collateral Agent Obligations	20
5.16. Successor Collateral Agent	20
5.17. Co-Collateral Agent	21
5.18. Delivery of Documents	21
ARTICLE 6 - MISCELLANEOUS	22
6.1. Amendments, Supplements and Waivers	22
6.2. Notices	22
6.3. No Implied Waiver; Cumulative Remedies	23
6.4. Severability	23
6.5. Survival	23
6.6. Counterparts	23
6.7. Termination of Liens	23
6.8. Successors and Assigns	24
6.9. Governing Law	24
EXHIBIT A Form of Joinder Supplement	

COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT

THIS COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT,
dated as of October 1, 2006, among

Eastern University, a Pennsylvania nonprofit corporation (the "University"),

Delaware County Authority, a public body and a body corporate and politic
organized and existing under the laws of the Commonwealth of Pennsylvania (the "Authority"),

The Bank of New York Trust Company, N.A. (successor trustee to J.P. Morgan Trust Company, National Association), as Trustee (in such capacity, and together with its successors and assigns in such capacity, the "1999 Indenture Trustee") under the Trust Indenture dated as of March 1, 1999 (as amended, supplemented or otherwise modified from time to time, the "1999 Indenture") with the Authority pursuant to which \$6,400,000 aggregate principal amount of the Authority's College Revenue Bonds (Eastern College), Series A of 1999 (Federally Taxable), \$11,590,000 aggregate principal amount of the Authority's College Revenue Bonds (Eastern College), Series B of 1999, and \$5,510,000 aggregate principal amount of the Authority's College Revenue Bonds (Eastern College), Series C of 1999 (collectively, the "1999 Bonds") have been issued,

The Bank of New York Trust Company, N.A., as Trustee (in such capacity, and together with its successors and assigns in such capacity, the "2006 Indenture Trustee") under the Trust Indenture dated as of October 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "2006 Indenture") with the Authority pursuant to which \$16,000,000 aggregate principal amount of the Authority's Revenue Bonds (Eastern University, Series of 2006 (the "2006 Bonds") have been issued,

Allied Irish Banks, p.l.c., New York Branch, an Irish banking corporation
("AIB"),

each other Person that may hereafter become party hereto as an Additional Parity Obligee in accordance with Section 2.3 hereof, and

The Bank of New York Trust Company, N.A., as agent for the Secured Parties (as hereinafter defined) (in such capacity and together with its successors and assigns in such capacity, the "Collateral Agent").

Recitals:

A. The University and the Authority have entered into a Loan Agreement dated as of March 1, 1999 (as amended, modified or supplemented from time to time, the "1999 Loan Agreement") in connection with the issuance and sale by the Authority of the 1999 Bonds. Under the 1999 Indenture, the Authority has assigned to the 1999 Trustee, to secure the 1999 Bonds and all other bonds issued under the 1999 Indenture, substantially all of the Authority's rights under the 1999 Loan Agreement.

B. The University and AIB have entered into a Reimbursement Agreement (Security Agreement) dated as of March 25, 1999 (as amended, supplemented or otherwise modified from time to time, the "AIB Reimbursement Agreement") pursuant to which AIB has issued a letter of credit for the account of the University.

C. The University and the Authority have entered into a Loan Agreement dated as of October 1, 2006 (as amended, modified or supplemented from time to time, the "2006 Loan Agreement") in connection with the issuance and sale by the Authority of the 2006 Bonds. Under the 2006 Indenture, the Authority has assigned to the 2006 Trustee, to secure the 2006 Bonds and all other bonds issued under the 1999 Indenture, substantially all of the Authority's rights under the 2006 Loan Agreement.

D. In order to secure its obligations under the 1999 Loan Agreement, the 2006 Loan Agreement, the AIB Reimbursement Agreement and other Parity Obligations (as hereinafter defined) arising from time to time, (i) the University and the Collateral Agent have entered into a Security Agreement dated as of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Security Agreement") pursuant to which the University has granted to the Collateral Agent, for the benefit of the Authority, the 1999 Indenture Trustee, the 2006 Indenture Trustee, AIB and the other Secured Parties (as hereinafter defined), a Lien on certain collateral described therein, and (ii) the University and the Collateral Agent have entered into a Mortgage and Security Agreement dated as of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Mortgage") pursuant to which the University has granted to the Collateral Agent, for the benefit of the Authority, the 1999 Indenture Trustee, the 2006 Indenture Trustee, AIB and the other Secured Parties, a Lien on certain collateral described therein. The University may in certain circumstances incur Additional Parity Debt (as hereinafter defined) and may cause the Lien on such collateral granted under the Security Agreement and the Mortgage to be spread to secure the obligations of the University to the holder of such Additional Parity Debt in accordance with the terms and conditions hereof. Also, the University may hereafter grant to the Collateral Agent a Lien on other collateral to secure the Parity Obligations.

E. The University, the Authority, the 1999 Indenture Trustee, the 2006 Indenture Trustee and AIB hereby agree, and each Additional Parity Obligor (as hereinafter defined) by becoming party hereto will be deemed to agree, that the Collateral Agent will serve as agent for the Parity Obligors, and the Collateral Agent is willing to serve as the Collateral Agent, all on the terms and conditions herein stated.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE 1 - DEFINITIONS; CONSTRUCTION

1.1. Certain Definitions. In addition to other words and terms defined elsewhere in this Agreement, as used herein the following words and terms shall have the following meanings, respectively, unless the context hereof otherwise clearly requires:

"Additional Parity Debt" shall mean all obligations of the University from time to time arising under or in connection with or related to or evidenced by or secured by any Additional Parity Debt Agreement, in each case whether such obligations are direct or indirect, otherwise secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising (specifically including but not limited to obligations arising or accruing after the commencement of any bankruptcy, insolvency or similar proceedings with respect to the University, or which would have arisen or accrued but for the commencement of such proceeding, even if the claim for such obligation is not allowed in such proceeding under applicable law).

"Additional Parity Debt Agreement" shall mean each document, instrument or agreement which is designated an "Additional Parity Debt Agreement" in accordance with Section 2.3 hereof.

"Additional Parity Obligor" shall mean the holder of any particular Additional Parity Debt (or a trustee, agent or other representative for such holder).

"Agreement" shall mean this Collateral Agency and Intercreditor Agreement, as amended, supplemented or otherwise modified from time to time.

"Cash Equivalent Investments" shall mean shall mean any of the following, to the extent acquired for investment and not with a view to achieving trading profits: (a) obligations fully backed by the full faith and credit of the United States of America maturing not in excess of six months from the date of acquisition, (b) commercial paper maturing not in excess of nine months from the date of acquisition and rated "P-1" by Moody's Investors Service or "A-1" by Standard & Poor's Corporation on the date of acquisition, and (c) the following obligations of any domestic commercial bank, including any affiliate of the 1999 Indenture Trustee or the 2006 Indenture Trustee, having capital and surplus in excess of \$500,000,000, which has, or the holding company of which has, a commercial paper rating meeting the requirements specified in clause (b) above: (i) time or demand deposits, certificates of deposit and acceptances maturing not in excess of nine months from the date of acquisition, or (ii) repurchase obligations with a term of not more than seven days for underlying securities of the type referred to in clause (a) above, and (d) a money market mutual fund, including, without limitation, any mutual fund for which the Collateral Agent or an affiliate of the Collateral Agent serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Collateral Agent or an affiliate of the Collateral Agent receives fees from such funds for services rendered, (ii) the Collateral Agent charges and collects fees for services rendered pursuant to this Agreement, which fees are

separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Collateral Agent or its affiliates.

"Collateral Agent Obligations" shall mean all obligations from time to time of the University to the Collateral Agent in its capacity as such (whether or not referred to herein or in any Shared Security Document as constituting Collateral Agent Obligations), including but not limited to amounts payable pursuant to Sections 3.9, 5.10, 5.11 and 5.12 hereof, in each case whether such obligations are direct or indirect, otherwise secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising (specifically including but not limited to obligations arising or accruing after the commencement of any bankruptcy, insolvency or similar proceedings with respect to the University, or which would have arisen or accrued but for the commencement of such proceeding, even if the claim for such obligation is not allowed in such proceeding under applicable law).

"Directing Party" shall mean at any relevant time any Parity Obligees, or group of Parity Obligees acting together, holding at such time over fifty percent (50%) in amount of the Parity Obligations.

"Event of Default" shall mean any event of default under and as defined in any Secured Party Document.

"Lien" shall mean any mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, including but not limited to any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security.

"Obligations" shall mean all Parity Obligations and all Collateral Agent Obligations.

"Office" of the Collateral Agent shall mean its office located at One Liberty Place, 47th Floor, 1650 Market Street, Philadelphia, Pennsylvania 19103 or at such other domestic office or offices of the Collateral Agent as may be designated in writing from time to time by the Collateral Agent to the University and the Parity Obligees.

"Parity Obligations" shall mean all obligations of the University from time to time arising under or in connection with or related to or evidenced by or secured by the 1999 Loan Agreement, the 2006 Loan Agreement, the AIB Reimbursement Agreement and any other Secured Party Documents, in each case together with any and all extensions, renewals or refinancings thereof, whether such obligations are direct or indirect, otherwise secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising (specifically including but not limited to obligations arising or accruing after the commencement of any bankruptcy, insolvency or similar proceedings with respect to the University, or which would have arisen or accrued but for the commencement of such proceeding, even

if the claim for such obligation is not allowed in such proceeding under applicable law). Whenever for the purposes of determining the "Directing Party" under this Agreement it is necessary to determine the amount of Parity Obligations owing to any Secured Party at any particular time, (a) such amount shall be the amount of principal, accrued interest and other accrued payment obligations (including without limitation any reimbursement obligations owing in respect of payments made under a letter of credit) at the time owing by the University to such Secured Party; (b) in the case of any Parity Obligations in the form of contingent reimbursement obligations in respect of an undrawn irrevocable letter of credit or similar irrevocable commitment or guaranty issued by the relevant Parity Obligor for the account of the University, the amount of Parity Obligations with respect thereto shall be deemed to include the amount of all such contingent reimbursement obligations that will become absolute upon any payment under such letter of credit, commitment or guaranty; and (c) where one Parity Obligor (the "Guarantor Parity Obligor") has issued an irrevocable letter of credit, irrevocable commitment, guaranty or other similar assurance of payment to or for the benefit of another Parity Obligor (the "Guaranteed Parity Obligor") to secure the payment of all or a portion of any Parity Obligations owing to the Guaranteed Parity Obligor (the "Guaranteed Parity Obligations"), that portion of the Guaranteed Parity Obligations covered by such letter of credit, commitment, guaranty or other assurance of payment shall not be counted.

"Parity Obligors" shall mean the Authority, the 1999 Indenture Trustee, the 2006 Indenture Trustee, AIB and each Additional Parity Obligor.

"Person" shall mean an individual, corporation, partnership, trust, limited liability company, unincorporated association, joint venture, joint-stock company, governmental authority or any other entity.

"Secured Parties" shall mean the Collateral Agent and the Parity Obligors.

"Secured Party Documents" shall mean the 1999 Loan Agreement, the 2006 Loan Agreement, the AIB Reimbursement Agreement, each Additional Parity Debt Agreement and each Shared Security Document.

"Shared Collateral" shall mean the collateral from time to time subject to or intended or purported to be subject to a Lien in favor of the Collateral Agent under the Shared Security Documents.

"Shared Security Documents" shall mean this Agreement, the Security Agreement, the Mortgage and any other agreements or instruments from time to time granting or purporting to grant the Collateral Agent a Lien in any property for the benefit of the Secured Parties to secure the Obligations, or constituting a guaranty for the Obligations, or subordinating any obligation to the Obligations, in each case pursuant to Section 1.3 hereof or otherwise.

1.2. Construction. In this Agreement and each other Shared Security Document, unless the context otherwise clearly requires, references to the plural include the singular, the

singular the plural and the part the whole; "or" has the inclusive meaning represented by the phrase "and/or"; and "property" and "assets" each includes all properties and assets of any kind or nature, tangible or intangible, real, personal or mixed, now existing or hereafter acquired. The words "hereof," "herein" and "hereunder" (and similar terms) in this Agreement or any other Shared Security Document refer to this Agreement or such other Shared Security Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Shared Security Document. The words "includes" and "including" (and similar terms) in this Agreement or any other Shared Security Document mean "includes without limitation" and "including without limitation," respectively (and similarly for similar terms). References in this Agreement or any other Shared Security Document to "determination" (and similar terms) by the Collateral Agent or by any Secured Party include good faith estimates by the Collateral Agent or by such Secured Party (in the case of quantitative determinations) and good faith beliefs by the Collateral Agent or by such Secured Party (in the case of qualitative determinations). The section and other headings contained in this Agreement and in each other Shared Security Document, and any tables of contents contained herein or therein, are for reference purposes only and shall not affect the construction or interpretation of this Agreement or such other Shared Security Document in any respect. Section, subsection, annex, exhibit and schedule references in this Agreement and in each other Shared Security Document are to this Agreement or such other Shared Security Document, as the case may be, unless otherwise specified. Each annex, exhibit and schedule to this Agreement or any other Shared Security Document constitutes part of this Agreement or such Shared Security Document, as the case may be. Each of the covenants, terms and provisions of this Agreement and the other Shared Security Documents is intended to have, and shall have, independent effect, and compliance with any particular covenant, term or provision shall not constitute compliance with any other covenant, term or provision.

1.3. Additional Shared Security Documents. The University, or another Person, may from time to time execute and deliver agreements, instruments or documents in form and substance satisfactory to the Collateral Agent from time to time granting or purporting to grant to the Collateral Agent a Lien in any property for the benefit of the Secured Parties to secure the Obligations, or constituting a guaranty for the Obligations, or subordinating any obligation to the Obligations. Each such agreement, instrument or document shall constitute a "Shared Security Document" for purposes of this Agreement.

ARTICLE 2 - THE COLLATERAL AGENCY

2.1. Appointment. The Parity Obligees each hereby irrevocably appoint The Bank of New York Trust Company, N.A., to act as Collateral Agent for each Secured Party under this Agreement and the other Shared Security Documents. Each of the Parity Obligees hereby irrevocably authorizes the Collateral Agent to take such action on behalf of each Secured Party under the provisions of this Agreement and the other Shared Security Documents, and to exercise such powers and to perform such duties, as are specifically delegated to or required of the Collateral Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto. The Bank of New York Trust Company, N.A., hereby agrees to act as the Collateral Agent on the terms and conditions set forth in this Agreement and the other Shared Security Documents. Each Secured Party hereby irrevocably authorizes the Collateral Agent to

execute and deliver each of the Shared Security Documents and to accept delivery of such of the Shared Security Documents as may not require execution by the Collateral Agent. Each Secured Party hereby agrees that the rights and remedies given to the Collateral Agent under the Shared Security Documents shall be exercised exclusively by the Collateral Agent, and that no Secured Party shall have any right individually to exercise any such right or remedy, except to the extent, if any, otherwise expressly provided herein or therein.

2.2. Exercise of Powers. Subject to the other provisions of this Agreement, the Collateral Agent shall take any action of the type specified herein or in any other Shared Security Documents as being within the Collateral Agent's rights, powers or discretion in accordance with written directions from the Directing Party (or, to the extent this Agreement or such Shared Security Document specifically requires the consent or direction of some other Person or set of Persons, then instead in accordance with the directions of such other Person or set of Persons). In the absence of any such directions, the Collateral Agent shall have the authority (but under no circumstances shall be obligated), in its sole discretion, to take such action, to the extent not inconsistent with written directions by the Directing Party, unless this Agreement or such Shared Security Document specifically requires the consent or direction of the Directing Party (or some other Person or set of Persons), in which case the Collateral Agent shall not take such action absent such direction or consent. Any action or inaction pursuant to such direction, discretion or consent shall be binding on all of the Secured Parties. The Collateral Agent shall not have any liability to any Person as a result of (a) the Collateral Agent acting or refraining from acting in accordance with the directions of the Directing Party (or other applicable Person or set of Persons), (b) the Collateral Agent refraining from acting in the absence of written instructions to act from the Directing Party (or other applicable Person or set of Persons), whether or not the Collateral Agent has discretionary power to take such action, or (c) the Collateral Agent taking discretionary action it is authorized to take under this Section (subject, in the case of this clause (c) to the provisions of Section 5.2 hereof).

2.3. Additional Parity Obligees. An Additional Parity Debt Agreement shall be entitled to the benefit of this Agreement, and the holder (or trustee, agent or other representative of such holder) of the related Additional Parity Debt shall constitute an Additional Parity Obligee, if and only if: (a) such Person executes a Joinder Supplement in substantially the form of Exhibit A hereto (each, a "Joinder Supplement"), pursuant to which such Person shall agree to become a party hereto and bound hereby as an "Additional Parity Obligee", and pursuant to which a particular Additional Parity Debt Agreement is designated as such for the purposes of this Agreement, and (b) the University consents thereto.

2.4. Amendments to Secured Party Documents. The provisions of this Agreement shall remain in full force and effect in accordance with its terms regardless of any amendment, modification or supplement to the 1999 Loan Agreement, the 2006 Loan Agreement, the AIB Reimbursement Agreement or any other Secured Party Document and, except to the extent otherwise expressly required therein, no consent of any Parity Obligees shall be required in connection therewith. Without limitation of the foregoing, this Agreement shall apply in accordance with its terms notwithstanding any increase, decrease, addition or change in the amount, nature, type or purpose of the Parity Obligations or any execution or delivery of any Secured Party Document from time to time.

2.5. Certain Intercreditor Matters.

(a) The provisions of Article 4 hereof apply solely to priorities of distributions resulting from realization on the Shared Security Documents, and not to the priorities of the Obligations. Nothing contained in this Agreement or in any other Shared Security Document is intended to effect a subordination of any Obligation to any other Obligation.

(b) The priority of distribution specified in Article 4 of this Agreement is based upon the assumptions that (i) the Liens in the Shared Collateral in favor of the Collateral Agent on behalf of each of the Secured Parties will be equally valid, perfected and nonavoidable as to each such Secured Party, (ii) the Liens in the Shared Collateral in favor of the Collateral Agent on behalf of each of the Secured Parties will be deemed of equal priority as against all Persons other than Secured Parties in their capacities as such, and (iii) the guaranties and subordination agreements included in the Shared Collateral will be equally legal, valid, enforceable and nonavoidable as to each such Secured Party. If and to the extent any such assumption proves to be incorrect as to a particular Secured Party or particular set of Secured Parties, any resulting loss shall be borne solely by such Secured Party or set of Secured Parties, and the distributions referred to in Article 4 hereof shall be adjusted accordingly.

(c) The Secured Parties hereby agree that, upon any realization on the Shared Collateral pursuant to the Shared Security Documents, the Secured Parties shall share in the proceeds of such realization in the manner provided in this Agreement, and if any Secured Party shall realize any funds on the Shared Collateral otherwise than pursuant to this Agreement, such Secured Party shall remit the same to the Collateral Agent, which shall apply the same as provided herein.

(d) This Agreement applies to realization on the Shared Collateral pursuant to the Shared Security Documents, and nothing in this Agreement or in any other Shared Security Document, express or implied, shall be construed to require any Parity Obligees to share with any other Parity Obligees any collections received on account of Obligations other than on account of the Shared Security Documents. Without limitation of the foregoing, collections on account of set-off against the University (except to the extent the funds set off constitute Shared Collateral) or exercise of any right of bankers' lien against the University are not subject to this Agreement. The University hereby (x) waives all rights to demand or to have any marshalling of the Shared Collateral or other guaranties, collateral security or other direct or indirect security or sources of payment for some or all of the Parity Obligations, and (y) consents and agrees that the Secured

Parties may exercise their rights and remedies hereunder, under other Shared Security Documents and under such other guaranties, collateral security or other direct or indirect security or sources of payment, in any order, and that the Secured Parties need not exercise any right or remedy under such other guaranties, collateral or other indirect security or sources of payment before exercising any rights or remedies hereunder or under other Shared Security Documents.

ARTICLE 3 - SHARED SECURITY DOCUMENTS

3.1. General Relation to Shared Security Documents.

(a) All of the powers, remedies and rights of the Collateral Agent as set forth in this Agreement may be exercised by the Collateral Agent in respect of any other Shared Security Document as though set forth in full therein and all of the powers, remedies and rights of the Collateral Agent as set forth in any other Shared Security Document may be exercised from time to time as herein and therein provided.

(b) This Agreement is intended to be supplemental to, and not in limitation of, the other Shared Security Documents, and the rights and remedies of the Collateral Agent contained herein and therein are intended to be cumulative. However, in the event of actual and irreconcilable conflict between the provisions hereof and the provisions of the other Shared Security Documents, the provisions of this Agreement shall be controlling.

3.2. Power of Attorney. The University hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of the University or the name of such attorney-in-fact, from time to time in the Collateral Agent's discretion, for the purpose of signing documents and taking other action as the Collateral Agent may deem necessary or appropriate to perfect and protect the Liens of the Collateral Agent in the Shared Collateral or otherwise to accomplish the purposes hereof. This power of attorney is a power coupled with an interest, shall be irrevocable and shall not be subject to the limitations of Section 3.3 hereof. Without limiting the generality of the foregoing, so long as the Collateral Agent shall be entitled under this Agreement or any other Shared Security Document to make collections in respect of the Shared Collateral, the Collateral Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of the University representing any dividend, payment or other distribution in respect of the Shared Collateral and to give full discharge for the same.

3.3. Certain Rights After Event of Default. The University hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of the University or otherwise, from time to time in the Collateral Agent's discretion, so long as any Event of Default has occurred and is continuing, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Agreement or any other Shared Security Document and to accomplish the purposes hereof and thereof and, without limiting the generality of the foregoing, the University

hereby gives the Collateral Agent the power and right, without notice to or further assent by the University, to do the following:

(a) to ask for, demand, sue for, collect, receive and give acquittance for any and all moneys due or to become due upon, or in connection with, the Shared Collateral;

(b) to receive, take, endorse, assign and deliver any and all checks, notes, drafts, acceptances, documents and other negotiable and non-negotiable instruments taken or received by the Collateral Agent as, or in connection with, the Shared Collateral;

(c) to commence, prosecute, defend, settle, compromise or adjust any claim, suit, action or proceeding with respect to, or in connection with, the Shared Collateral;

(d) to sell, transfer, assign or otherwise deal in or with the Shared Collateral or any part thereof as fully and effectively as if the Collateral Agent were the absolute owner thereof; and

(e) to do, at its option and at the expense and for the account of the University, at any time or from time to time, all acts and things which the Collateral Agent deems necessary to protect or preserve the Shared Collateral and to realize upon the Shared Collateral.

3.4. Right to Initiate Judicial Proceedings. If an Event of Default has occurred and is continuing, the Collateral Agent (a) shall have the right and power to institute and maintain such suits and proceedings as it may deem appropriate to protect and enforce the rights vested in it by this Agreement and each other Shared Security Document and (b) may either after entry, or without entry, proceed by suit or suits at law or in equity to enforce such rights and to foreclose upon the Shared Collateral and to sell all or, from time to time, any of the Shared Collateral under the judgment or decree of a court of competent jurisdiction. This Section shall not be construed to limit any right or remedy otherwise available to the Collateral Agent under this Agreement, any other Shared Security Document or otherwise by law to act without judicial proceedings.

3.5. Right to Appoint a Receiver. If an Event of Default has occurred and is continuing, upon the filing of a bill in equity or other commencement of judicial proceedings or other applicable action set forth in any Shared Security Document to enforce the rights of the Collateral Agent under this Agreement or any other Shared Security Document, the Collateral Agent shall, to the extent permitted by law and except to the extent (if any) expressly forbidden by a Shared Security Document, without notice to the University or any party claiming through the University, without regard to the solvency or insolvency at the time of the University or any other Person then liable for the payment of any of the Obligations, without regard to the then-value of the Shared Collateral, and without requiring any bond from any complainant in such proceedings, be entitled as a matter of right to the appointment of a receiver or receivers (who may be the Collateral Agent) of the Shared Collateral, or any part thereof, and of the rents, issues, tolls, profits, royalties, revenues and other income thereof, pending such proceedings, with such powers as the court making such appointment or as the applicable Shared Security

Document, as the case may be, shall confer, and to the entry of an order directing that the rents, issues, tolls, profits, royalties, revenues and other income of the property constituting the whole or any part of the Shared Collateral be segregated, sequestered and impounded for the benefit of the Collateral Agent, and the University irrevocably consents to the appointments of such receiver or receivers and to the entry of such order; provided, that notwithstanding the appointment of any receiver, the Collateral Agent shall be entitled to retain possession and control of all cash held by or deposited with it pursuant to this Agreement or any other Shared Security Document.

3.6. Remedies Not Exclusive, etc.

(a) No remedy conferred upon or reserved to the Collateral Agent or any other Secured Party herein or in any other Shared Security Document or the Secured Party Documents is intended to be exclusive of any other remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or in any other Shared Security Document or any Secured Party Document or now or hereafter existing at law or in equity or otherwise.

(b) No delay or omission by the Collateral Agent or any other Person to exercise any right, remedy or power hereunder or under any other Shared Security Document or any other Secured Party Document shall impair any such right, remedy or power or shall be construed to be a waiver thereof, and every right, power and remedy given by this Agreement, any other Shared Security Document or any other Secured Party Document to the Collateral Agent or any other Person may be exercised from time to time and as often as may be deemed expedient by the Collateral Agent or such other Person, as the case may be.

(c) If the Collateral Agent or any other Person shall have proceeded to enforce any right, remedy or power under this Agreement or any other Shared Security Document or any other Secured Party Document and the proceeding for the enforcement thereof shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent or such other Person, then the University, the Collateral Agent and the Secured Parties shall, subject to any determination in such proceeding, severally and respectively be restored to their former positions and rights hereunder or thereunder in all respects and, subject to any determination in such proceeding, thereafter all rights, remedies and powers of the Collateral Agent and every other Person shall continue as though no such proceeding had been taken.

(d) All rights of action and of asserting claims upon or under this Agreement and the other Shared Security Documents may be enforced by the Collateral Agent without the possession of any original or executed instrument evidencing or governing any Obligation and without the production thereof at any trial or other proceeding relative to such claims, and any suit or proceeding instituted by the Collateral Agent shall be, subject to the provisions of this Agreement, brought in its name as Collateral Agent, and any recovery of judgment shall be held as part of the Shared Collateral Account.

3.7. Certain Waivers.

(a) The University agrees, to the extent it may lawfully do so, that it will not at any time in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, moratorium, turnover or redemption law, or any law permitting it to direct the order in which the Shared Collateral shall be sold, now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance or enforcement of this Agreement or any other Shared Security Document, hereby waives all benefit or advantage of all such laws, and covenants that it will not hinder, delay or impede under color of any such law the execution of any power granted to the Collateral Agent in this Agreement or any other Shared Security Document but will suffer and permit the execution of every such power as though no such law were in force.

(b) The University, to the extent it may lawfully do so, on behalf of itself and all who may claim through or under it, including without limitation any and all subsequent creditors, vendees, assignees and lienors, waives and releases all rights to demand or to have any marshalling of the Shared Collateral upon any sale, whether made under any power of sale granted herein or in any other Shared Security Document or pursuant to judicial proceedings or upon any foreclosure or any enforcement of this Agreement or any other Shared Security Document, and consents and agrees that all the Shared Collateral may at any such sale be offered and sold as an entirety. The University hereby waives any and all rights it may at any time have to require the Collateral Agent or any other Secured Party to exercise or exhaust its rights and remedies under this Agreement, any other Shared Security Document, any other Secured Party Document, any other agreement or instrument, at law or in equity, as between different Persons or against any single Person, or as between different items of direct or indirect security for any of the Obligations or against any single item of such security, in any particular order, method or manner.

(c) The University waives, to the extent permitted by applicable law, presentment, demand, protest and any notice of any kind (except notices expressly required hereunder or under any other Shared Security Document) in connection with this Agreement and the other Shared Security Documents and any action taken by the Collateral Agent with respect to the Shared Collateral.

3.8. Limitation on Collateral Agent's Duty in Respect of Shared Collateral.

Beyond its duties expressly provided herein or in any other Shared Security Document and its duty to account to the University or Secured Parties for moneys and other property received by it hereunder or under any other Shared Security Document, the Collateral Agent shall not have any duty to the University as to any Shared Collateral in its possession or control or in the possession or control of any of its agents or nominees, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

3.9. Fees, Taxes, etc. The University agrees to pay any and all lien search, stamp, document, transfer, filing, recording, registration, excise or sales fees and taxes and all similar impositions now or hereafter payable or determined in good faith by the Collateral Agent to be payable in connection with this Agreement, the other Shared Security Documents, or any

other documents, instruments or transactions pursuant to or in connection herewith or therewith and agrees to hold the Collateral Agent and each other Secured Party harmless from and against any and all present or future claims or liabilities with respect to, or resulting from any delay in paying or omission to pay, any such fees, taxes or impositions. Such agreement extends, without limitation, to any and all taxes or other state documentary stamp or intangible tax with respect to the filing or recording of any financing statements or mortgages in connection herewith or in connection with any other Shared Security Document, regardless of whom such taxes are levied or assessed against. The obligations of the University under this Section shall survive the termination of the other provisions of this Agreement and the termination of any other Shared Security Document.

3.10. Maintenance of Liens. The University at its expense will cause financing statements (and continuation statements with respect to such financing statements), and any mortgages or other appropriate instruments from time to time constituting Shared Security Documents, to be recorded, published, registered and filed in such manner, at such times and in such places, and will pay all such recording, publishing, registration, filing or other taxes, fees and charges, and will do such other acts and things as may be required from time to time to establish, perfect, maintain, preserve, and protect the Liens of the Shared Security Documents as valid and perfected Liens on the Shared Collateral covered thereby, prior to all other Liens.

3.11. Further Assurances. At any time and from time to time, upon the request of the Collateral Agent, and at the expense of the University, the University will promptly execute and deliver any and all such further instruments and documents and take such further actions as are necessary or appropriate to establish, confirm, maintain and continue and to perfect, or to protect the perfection of, the Liens created and intended to be created hereunder and under the other Shared Security Documents, and all assignments made or intended to be made pursuant thereto, or to obtain the full benefits of this Agreement and the other Shared Security Documents and of the rights and powers herein and therein granted, including, without limitation, the execution and delivery of any further deeds, conveyances, mortgages, assignments, security agreements, pledges and further assurances and the filing of any financing or continuation statements. The University also hereby authorizes the Collateral Agent to sign and file financing statements and continuation statements at any time with respect to any Shared Collateral without the signature of the University (where permitted by applicable law) and appoints the Collateral Agent as its attorney-in-fact to do all other acts and things which the Collateral Agent may deem necessary or advisable to preserve, perfect and continue perfected the Collateral Agent's Liens in the Shared Collateral.

ARTICLE 4 - DISTRIBUTIONS

4.1. Shared Collateral Account. There is hereby created and established with the Collateral Agent a special account referred to herein as the "Shared Collateral Account". The Collateral Agent shall maintain the Shared Collateral Account as agent hereunder, and the assets therein shall be segregated and not commingled with other assets of the Collateral Agent. The Shared Collateral Account shall be subject to the exclusive dominion and control of the Collateral Agent and shall constitute Shared Collateral hereunder. All right, title and interest in

and to the Shared Collateral Account, funds on deposit therein from time to time, all proceeds of the conversion thereof into cash, instruments, securities or other property, and all other proceeds thereof, shall vest in the Collateral Agent, and the University hereby grants, conveys, assigns, pledges and transfers to the Collateral Agent, and grants to and creates in favor of the Collateral Agent a continuing Lien in, the foregoing. The University hereby represents, warrants, covenants and agrees that such Lien shall at all times be valid, perfected and of first priority, subject to no other Lien whatever, and the University shall take or cause to be taken such actions and shall execute and deliver such instruments and documents as may be necessary, appropriate, or in the Collateral Agent's or any Secured Party's judgment desirable to perfect or protect the Lien and security interest intended to be created hereby. The University shall not create or suffer to exist any Lien on any amounts or investments held in the Shared Collateral Account other than the Lien in favor of the Collateral Agent granted under this Section 4.1.

4.2. Investment. The Collateral Agent shall invest and reinvest moneys on deposit in the Shared Collateral Account in Cash Equivalent Investments as shall be specified by the Directing Party from time to time in its own name as agent hereunder, and all such investments and the interest and income received thereon and the net proceeds on the sale or redemption thereof shall be held in the Shared Collateral Account. The Collateral Agent may liquidate investments prior to maturity to make a distribution pursuant to Section 4.4 hereof. The Collateral Agent shall not have any liability for any loss sustained as a result of any investment made pursuant to the instructions of the Directing Party or as a result of any liquidation of any investment prior to its maturity or for the failure of the Directing Party to give the Collateral Agent instructions to invest or reinvest the Shared Collateral Account or any earnings thereon. Each party hereto, except the Collateral Agent, shall provide the Collateral Agent with its Tax Identification Number ("TIN") as assigned by the Internal Revenue Service. Any interest or other income under this Agreement shall be allocated and paid as provided herein and reported by the recipient to the Internal Revenue Service as having been so allocated and paid.

4.3. Deposits. The Collateral Agent shall deposit in the Shared Collateral Account all moneys or proceeds received by it from any of the Shared Collateral or the enforcement of or realization upon any of the Shared Collateral and all other funds required to be so deposited under any Shared Security Document. No other funds shall be deposited in the Shared Collateral Account or commingled with funds in the Shared Collateral Account. The Collateral Agent may establish such subaccounts within the Shared Collateral Account as it deems appropriate from time to time.

4.4. Distributions. The Collateral Agent shall make distributions from the Shared Collateral Account from time to time when directed in writing by the Directing Party or at such other times as may be required by law, except that (x) the Collateral Agent shall have the right at any time to apply monies held by it in the Shared Collateral Account to the payment of due and unpaid Collateral Agent Obligations, and (y) if and so long as no Event of Default shall have occurred and be continuing and the University shall have delivered to the Collateral Agent an opinion of nationally-recognized bond counsel that such action is necessary to maintain the exclusion from gross income of interest payable on any tax-exempt obligations issued for the benefit of the University (collectively, "Tax-Exempt Obligations"), the Collateral Agent shall, at the written direction of the University, apply monies in the Shared Collateral Account

representing casualty insurance proceeds or condemnation awards received by the Collateral Agent pursuant to any Secured Party Document with respect to property financed with the proceeds of such Tax-Exempt Obligations to the payment or redemption of such Tax-Exempt Obligations. Except as otherwise provided in the immediately preceding sentence, on any date a distribution from the Shared Collateral Account is made pursuant to this Section 4.4 (a "distribution date"), all monies held by the Collateral Agent in the Shared Collateral Account shall, to the extent available for distribution, be distributed by the Collateral Agent as follows:

First: to the Collateral Agent for any Collateral Agent Obligations due and unpaid upon such distribution date;

Second: to each Parity Obligor, in an amount equal to all amounts due and payable to such Parity Obligor on such distribution date with respect to the Parity Obligations relating to such Parity Obligor; provided, that if such moneys to be distributed by the Collateral Agent shall be insufficient to pay in full the amounts owing to each Parity Obligor, then such distribution shall be made ratably (without priority of any one over any other) to each Parity Obligor in proportion to the respective amounts so owing to each Parity Obligor on such distribution date; and

Finally: if all Secured Obligations shall have been paid in full in cash, all commitments to lend or extend credit under the Secured Party Documents shall have terminated, and all other Secured Party Documents shall have terminated, any surplus then remaining shall be paid to the University or its successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

The Parity Obligors may amend item "Second" above to provide for a different order of distribution among themselves in a writing signed by each Parity Obligor and the Collateral Agent and delivered to the University.

4.5. Calculations. In making the determinations and allocations required in determining the status of a Directing Party and by Section 4.4 hereof, the Collateral Agent may rely upon information certified by the Parity Obligors as to the amounts described in item "Second" and the Collateral Agent shall have no liability to any Secured Party for actions taken in reliance on such information. All distributions made by the Collateral Agent pursuant to Section 4.4 hereof shall be final as against the Collateral Agent (subject to any decree of any court of competent jurisdiction), and the Collateral Agent shall have no duty to inquire as to the application by any Secured Parties of any amounts distributed to them.

4.6. Application of Monies. Each Parity Obligor agrees to apply monies distributed under Section 4.4 hereof to satisfaction of the corresponding Parity Obligation described therein.

ARTICLE 5 - THE COLLATERAL AGENT

5.1. General Nature of Duties. The Collateral Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the other Shared Security Documents, and no implied duties or responsibilities on the part of the Collateral Agent shall be read into this Agreement or any other Shared Security Document or shall otherwise exist. The duties and responsibilities of the Collateral Agent shall be mechanical and administrative in nature. The Collateral Agent is and shall be solely the agent of the Secured Parties. The Collateral Agent does not assume, and shall not at any time be deemed to have, any relationship of agency or trust with or for, or any other duty or responsibility to, the University or any Person other than the Secured Parties. The Collateral Agent shall be under no obligation to take any action hereunder or under any Shared Security Document if the Collateral Agent believes in good faith that taking such actions may conflict with any law or any provision of this Agreement or any Shared Security Document, or may require the Collateral Agent to qualify to do business in any jurisdiction where it is not then qualified.

5.2. General Exculpation. Notwithstanding any other provision hereof or of any other Shared Security Document, neither the Collateral Agent nor any of its directors, officers, agents or employees shall be liable to the University or any other Secured Party for any action taken or omitted to be taken by it or them hereunder or under any other Shared Security Document or in connection herewith or therewith unless caused by its or their own gross negligence or willful misconduct.

5.3. Certain Disclaimers. The Collateral Agent shall not be responsible to any Secured Party for: (a) the execution, delivery, effectiveness, genuineness, validity, enforceability or adequacy of this Agreement or any other Shared Security Document, (b) any recital, report, statement, document, certificate, warranty or representation made by or on behalf of any Person other than the Collateral Agent contained herein or therein or given or made in connection herewith or therewith, (c) the validity, enforceability, perfection, recordation, continued perfection or recordation, priority, adequacy or value, now or at any time in the future, of any security purported to be afforded hereby or by any of the other Shared Security Documents or (d) insuring the Shared Collateral or paying any taxes, charges or assessments or discharging Liens on any Shared Collateral. The Collateral Agent shall be under no obligation to any Secured Party to ascertain, inquire or give any notice relating to (x) the performance or observance by the University or any other Person of the terms or conditions of this Agreement, any other Shared Security Document or any Secured Party Document, (y) the business, operations or condition (financial or otherwise) of any the University or any other Person or (z) the existence or possible existence of any Event of Default. The Collateral Agent shall not be deemed to have any knowledge or notice of the occurrence of any such Event of Default unless the Collateral Agent has received written notice from a Parity Obligee referring to this Agreement, describing such Event of Default, and stating that such notice is a "notice of default."

5.4. Right to Require Indemnity. The Collateral Agent shall be fully justified in failing or refusing to take any action hereunder or under any other Shared Security Document, at the direction of the Directing Party or another Person or set of Persons, unless it shall first be indemnified to its satisfaction by the Parity Obligees or by such Person or set of Persons against

any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

5.5. Delegation of Duties. The Collateral Agent may execute any of its duties as Collateral Agent hereunder or under any other Shared Security Document by or through employees, agents and attorneys-in-fact and shall not be answerable for the default or misconduct of any such agents or attorneys-in-fact selected by it, except as to money or securities received by it or its authorized agents. The Collateral Agent may hold certificates, instruments and securities pledged to it under any Shared Security Document in the name of a nominee, including without limitation in the name of any affiliate of the Collateral Agent.

5.6. Reliance, etc.

(a) Whenever in the administration of duties under this Agreement or the other Shared Security Documents the Collateral Agent shall deem it necessary or desirable that a matter be proved or established with respect to the University or any other Person in connection with the taking, suffering or omitting of any action hereunder or thereunder by the Collateral Agent, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be provided or established by a certificate of the University or other Person delivered to the Collateral Agent, and the Collateral Agent may conclusively rely thereon.

(b) The Collateral Agent shall be entitled to rely (and shall be free from all liability for so relying) upon any notice, consent, certificate, affidavit, letter, facsimile transmission, electronic mail transmission, statement, paper, document, telephone conversation or other communication believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons (whether or not made in the manner specified herein or in the applicable Shared Security Documents). The Collateral Agent may conclusively rely upon the truth of the statements and the correctness of the opinions expressed in any certificates or opinions furnished to the Collateral Agent and conforming to the requirements of this Agreement or any other Shared Security Document.

(c) The Collateral Agent may consult with legal counsel (including in-house counsel), independent public accountants and any other experts selected by it concerning all matters pertaining to its duties hereunder and under the other Shared Security Documents and the Collateral Agent shall not be liable for any action taken or omitted to be taken in reliance on advice of such counsel, accountants or experts.

(d) The Collateral Agent shall be under no obligation or duty to take any action hereunder or under any other Shared Security Document if taking such action (i) would subject the Collateral Agent to a tax in any jurisdiction where it is not then subject to a tax, unless it is first fully indemnified to its satisfaction against such tax, or (ii) would require the Collateral Agent to qualify to do business in any jurisdiction where it is not then so qualified, or (iii) shall conflict with any provision of law or of this Agreement or any other Shared Security Document.

5.7. Representations, etc. Each Secured Party expressly acknowledges (a) that the Collateral Agent has not made any representations or warranties to it, except as expressly set

forth herein, and that no act by the Collateral Agent taken heretofore or hereafter, including without limitation any review of the affairs of the University, shall be deemed to constitute any representation or warranty by the Collateral Agent to any Secured Party; (b) that it has made and will make its own independent investigation of the financial condition and affairs (including without limitation investigation and examination of any agreements or instruments pertaining to the transactions contemplated by the Secured Party Documents), and its own appraisal of the creditworthiness of the University; (c) that it has made its own independent investigation and evaluation of the legal matters relating to this Agreement, the other Shared Security Documents and the Secured Party Documents; and (d) that the Collateral Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Secured Party with any credit or other information, except for notices, reports or other information, if any, expressly required to be furnished to the Secured Parties by the Collateral Agent hereunder or under any other Shared Security Document.

5.8. Collateral Agent in Individual Capacity. The Collateral Agent, in its individual capacity or in some other fiduciary capacity, may be a Parity Obligee hereunder, and in such event the Collateral Agent, in such other capacity, shall have the same rights and powers as any other Parity Obligee and may exercise the same as though it were not the Collateral Agent. The Collateral Agent and its affiliates may, without liability to account, make loans to, accept deposits from, act as trustee under indentures of, and generally engage in any kind of banking or trust business with, the University and its trustees, subsidiaries and affiliates as though it were not acting as Collateral Agent hereunder.

5.9. Moneys to be Held As Agent. All moneys received by the Collateral Agent under or pursuant to any provision of this Agreement or any other Shared Security Document shall be held by it as agent for the purposes for which such moneys were paid or are held. The Collateral Agent shall not, except as otherwise provided herein, be liable for any interest thereon.

5.10. Compensation. The University hereby agrees to pay to the Collateral Agent, from time to time upon demand, reasonable compensation (which shall not be limited by any provision of law in regard to compensation of fiduciaries or of a trustee of an express trust) for its services hereunder and under the other Shared Security Documents.

5.11. Expenses. The University hereby agrees to pay or cause to be paid and to save the Collateral Agent harmless against liability for the payment of all out-of-pocket costs and expenses (including but not limited to reasonable fees and expenses of counsel and all other professional, accounting, evaluation and consulting costs) incurred by the Collateral Agent from time to time arising from or relating to (i) the negotiation, preparation, execution, delivery, administration and performance of this Agreement, any Joinder Supplement or any other Shared Security Document or other instruments or documents related hereto or thereto, (ii) any amendments, modifications, waivers or consents (whether or not ultimately entered into or granted) hereto or thereto, (iii) the enforcement or preservation of rights hereunder or thereunder (including but not limited to any such costs or expenses arising from or relating to (A) the protection, collection, lease, sale, taking possession of, preservation of, or realization on, any Shared Collateral or the Collateral Agent's Lien thereon, including without limitation advances for storage, insurance premiums, transportation charges, taxes, filing fees and the like,

(B) collection or enforcement of any other amount owing hereunder or thereunder by the Collateral Agent, and (C) any litigation, proceeding, dispute, work-out, restructuring or rescheduling related in any way to this Agreement or any other Shared Security Document or any other agreement or instrument related hereto or thereto). The agreements contained in this Section shall survive the termination of this Agreement and the other Shared Security Documents and the removal or resignation of the Collateral Agent.

5.12. Indemnity. The University hereby agrees to reimburse and indemnify the Collateral Agent, its affiliates, and their respective directors, officers, employees, attorneys and agents ("Collateral Agent Indemnified Parties"), and each of them, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Collateral Agent Indemnified Party in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Collateral Agent Indemnified Party shall be designated a party thereto) (collectively, the "Losses") which may be imposed on, incurred by or asserted against any of them in any way relating to or arising out of this Agreement, any other Shared Security Document or any agreement or instrument in connection therewith or the matters referred to herein or therein, or the administration or enforcement hereof or thereof, or any action taken or omitted by the Collateral Agent hereunder or thereunder; provided, however, that the University shall not be liable for any portion of such Losses resulting from the gross negligence or willful misconduct of such Collateral Agent Indemnified Party, as finally determined by a court of competent jurisdiction. The agreements contained in this Section shall survive the termination of this Agreement and the other Shared Security Documents and the removal or resignation of the Collateral Agent for any reason. Anything in this Agreement to the contrary notwithstanding, in no event shall the Collateral 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 Collateral Agent has been advised of such loss or damage and regardless of the form of action.

5.13. Indemnification by Secured Parties. Each Secured Party (other than the Authority and the Collateral Agent) hereby agrees to reimburse and indemnify each Collateral Agent Indemnified Party (to the extent such Collateral Agent Indemnified Party is not reimbursed by the University and without limitation of the obligation of the University to do so), ratably in accordance the principal amount of each such Secured Party's Parity Obligations, from and against any and all Losses which may be imposed on, incurred by or asserted against any of them for following any instruction or other direction upon which the Collateral Agent is authorized to rely pursuant to the terms of this Agreement. In addition to and not in limitation of the immediately preceding sentence, each Secured Party (other than the Authority and the Collateral Agent) also covenants and agrees to indemnify and hold the Collateral Agent Indemnified Parties and each of them harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against the Collateral Agent Indemnified Parties or any of them in any way relating to or arising out of this Agreement, any other Shared Security Document or any agreement or instrument in connection therewith or the matters referred to herein or therein, or the administration or enforcement hereof or thereof, or any action taken or omitted by the Collateral Agent hereunder or thereunder; provided, however, that no such Secured Party shall be liable for any portion of such Losses resulting from the gross negligence

or willful misconduct of such Collateral Agent Indemnified Party, as finally determined by a court of competent jurisdiction. The agreements contained in this Section shall survive the termination of this Agreement and the other Shared Security Documents and the resignation or removal of the Collateral Agent for any reason.

5.14. [Reserved].

5.15. Collateral Agent Obligations. No provision of this Agreement shall require the Collateral Agent to expend or risk its own funds. Notwithstanding anything to the contrary in this Agreement, the Collateral Agent shall have the right to apply any of the funds held by the Collateral Agent in the Shared Collateral Account to Collateral Agent Obligations.

5.16. Successor Collateral Agent.

(a) The Collateral Agent may resign at any time by giving at least ten days' prior written notice thereof to each other Secured Party and the University, and may be removed without cause at any time by the Directing Party by giving at least ten days' prior written notice thereof to each other Secured Party, the University and the Collateral Agent. Such resignation or removal shall be effective on the date specified in such notice and, on such date, the resigning or removed Collateral Agent shall be automatically discharged from its duties under this Agreement and the other Shared Security Documents without requirement of any further action by such resigning or removed Collateral Agent, but notwithstanding the foregoing no such resignation or removal shall be effective unless and until a successor Collateral Agent has been appointed in accordance with this Agreement. The Collateral Agent shall have the right to withhold from the Shared Collateral Account all unpaid Collateral Agent Obligations plus any costs and expenses the Collateral Agent reasonably believes may be incurred by the Collateral Agent in connection with such resignation or removal. Upon any such resignation or removal, the Directing Party shall have the right to appoint a successor Collateral Agent, subject to the approval of the University as to the identity of such successor Collateral Agent (which approval shall not be unreasonably withheld) unless such successor Collateral Agent is one of the Secured Parties and unless an Event of Default shall have occurred and be continuing. If no successor Collateral Agent shall have been appointed and shall have accepted such appointment within ten days after such notice of resignation or removal, then the resigning or removed Collateral Agent, at the expense of and on behalf of the Secured Parties, may, but shall not be obligated to, appoint a successor Collateral Agent. If no successor Collateral Agent shall be appointed and shall have accepted such appointment within thirty days after such notice of resignation or removal, any Secured Party may apply to any court of competent jurisdiction to appoint a successor Collateral Agent until such time, if any, as a successor Collateral Agent shall have been appointed as provided in this Section 5.16. Any successor so appointed by such court shall immediately and without further act be superseded by any successor Collateral Agent appointed by the Directing Party as provided in this Section 5.16.

(b) Any successor Collateral Agent shall be a commercial bank or trust company organized under the laws of the United States of America or any state thereof and having a combined capital and surplus of at least \$500,000,000.

(c) Upon the acceptance by a successor Collateral Agent of its appointment as Collateral Agent hereunder, such successor Collateral Agent shall thereupon succeed to and become vested with all of the properties, rights, powers, duties, authority and title of the retiring Collateral Agent in its capacity as such, without any further act, deed or conveyance; but such predecessor Collateral Agent shall nevertheless, on the written request of the University, any Secured Party or the successor Collateral Agent from time to time, execute and deliver instruments transferring and confirming to such successor all the properties, rights, powers, duties, authority and title of such predecessor, and shall deliver all securities and moneys held by it or them to such successor agent or agents. After any Collateral Agent's resignation or removal hereunder as Collateral Agent, such Collateral Agent shall be discharged from its duties under this Agreement and the Shared Security Documents in its capacity as Collateral Agent, but the provisions of this Article 5 shall continue to inure to its benefit as to any actions taken or omitted by it while it was Collateral Agent under this Agreement and the other Shared Security Documents.

(d) Notwithstanding any other provision of this Agreement or the other Shared Security Documents to the contrary, neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable to any Secured Party for any action taken or omitted to be taken by it or them under or in connection with this Section 5.16.

(e) Any corporation, association or other entity into which the Collateral Agent may be merged or converted or with which it may be consolidated, or any corporation, association or other entity resulting from any merger, conversion or consolidation to which the Collateral Agent shall be a party, or any entity to which the Collateral Agent shall sell or otherwise transfer all or substantially all of its corporate trust business (if said Collateral Agent administers this Agreement as part of its corporate trust business) shall ipso facto be the successor Collateral Agent, without need of the execution or filing of any paper and without requirement of any further act on the part of the parties hereto.

5.17. Co-Collateral Agent. If the Collateral Agent shall from time to time deem it necessary or advisable, for its own protection in the performance of its duties hereunder or in the interest of the Secured Parties, the parties hereto shall execute and deliver a supplemental agreement and all other instruments and agreements necessary or advisable, in the opinion of the Collateral Agent, to constitute another commercial bank or trust company, or one or more other Persons approved by the Collateral Agent, to act as co-Collateral Agent or agent with respect to any part of the Shared Collateral, with such powers of the Collateral Agent as may be provided in such supplemental agreement, and to vest in such bank, trust company or Person as such co-Collateral Agent or separate agent, as the case may be, any properties, rights, powers, privileges and duties of the Collateral Agent under this Agreement or any other Shared Security Document.

5.18. Delivery of Documents. On the date hereof the University shall deliver to the Collateral Agent true and complete copies of the 1999 Loan Agreement, the 2006 Loan Agreement, the AIB Reimbursement Agreement and all other material Secured Party Documents in effect on the date hereof. The University shall, promptly upon the execution thereof, deliver to the Collateral Agent a true and complete copy of any and all Secured Party Documents and all material amendments, modifications or supplements to the Secured Party Documents.

ARTICLE 6 - MISCELLANEOUS

6.1. Amendments, Supplements and Waivers. With the prior written consent of each of the Parity Obligees, the Collateral Agent and the University (or any other appropriate Person) may from time to time enter into written agreements for the purpose of amending, modifying or supplementing this Agreement or any other Shared Security Document or for the purpose of amending, adding to, or waiving any provisions of this Agreement or any other Shared Security Document, releasing any Shared Collateral, releasing or limiting the obligations of any Person under any Shared Security Document, or changing in any manner the rights of the Collateral Agent, any Secured Party or the University hereunder or thereunder. In addition, the Parity Obligees and the Collateral Agent may amend this Agreement as provided in Section 4.4 hereof. The Collateral Agent shall enter into such agreements from time to time as directed by all of the Parity Obligees, and only as so directed; provided, that the Collateral Agent shall not be required, without its consent, to enter into any amendment of Article 5 hereof or any amendment which would materially enlarge its duties or responsibilities (or lessen the protections afforded to it) hereunder or under the other Shared Security Documents. Any such amendment, modification or supplement made in accordance with this Section shall be binding upon the University and each Secured Party and their respective successors and assigns. No amendment, modification or supplement relating hereto or to any other Shared Security Document shall be effective unless in writing manually signed by or on behalf of the party to be charged therewith (it being understood that any such amendment, modification or supplement signed by the Collateral Agent shall be binding upon each Secured Party as aforesaid). The Collateral Agent shall furnish each Secured Party with a fully executed or conformed copy of any such amendment, modification, supplement or waiver promptly after the effectiveness thereof.

6.2. Notices. Except to the extent otherwise expressly permitted hereunder or thereunder, all notices, requests, demands, directions and other communications (collectively "notices") given or made under this Agreement or any other Shared Security Document shall be given in writing (including facsimile communications) and shall be sent by first-class mail, nationally-recognized overnight courier, or facsimile transmission (with confirmation in writing mailed first-class or sent by such an overnight courier) or by personal delivery. All notices shall be sent to the applicable party at the address stated on the signature pages hereof (or, in the case of any Additional Parity Obligee, as set forth under its signature to the Joinder Supplement with respect thereto) or in accordance with the last unrevoked written direction from such party to the other parties hereto, in all cases with postage or other charges prepaid. Any such properly given notice to a Secured Party shall be effective when received. Any such properly given notice to the University shall be effective upon the earliest to occur of receipt, telephone confirmation of receipt of facsimile transmission communication, one business day after delivery to a nationally-recognized overnight courier, three business days after deposit in the mail, or when telephoned (to the extent that notice is permitted by telephone). The Collateral Agent shall, contemporaneously with receipt or delivery thereof, provide to each Parity Obligee copies of all notices and other documents received or delivered by the Collateral Agent.

6.3. No Implied Waiver; Cumulative Remedies. No course of dealing and no delay or failure of the Collateral Agent or any other Secured Party in exercising any right, power or privilege hereunder or under any other Shared Security Document, any Secured Party Document, or any other documents or instruments pursuant to or in connection herewith shall affect any other or future exercise thereof or exercise of any other right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Collateral Agent and each other Secured Party under this Agreement, the other Shared Security Documents, the Secured Party Documents and all other agreements and instruments pursuant to or in connection herewith or therewith are cumulative and not exclusive of any rights or remedies which any of them would otherwise have. Any waiver, permit, consent or approval of any kind or character on the part of the Collateral Agent of any breach or default under, or term or condition of, this Agreement or any other Shared Security Document shall be in writing and shall be effective only to the extent specifically set forth in such writing.

6.4. Severability. The provisions of this Agreement and of the other Shared Security Documents are intended to be severable. If any provision of this Agreement or any other Shared Security Document shall be held invalid or unenforceable in whole or in part in any jurisdiction such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof or thereof in any jurisdiction. Where, however, such invalidity or unenforceability may be waived, it is hereby waived by the University to the fullest extent permitted by law, to the end that this Agreement and the other Shared Security Documents shall be valid and binding agreements enforceable in accordance with their terms.

6.5. Survival. All representations and warranties of the University contained herein or in any other Shared Security Document or made in connection herewith or therewith shall be deemed to have been relied upon by the Collateral Agent and the other Secured Parties and shall survive the execution and delivery of this Agreement and the other Shared Security Documents, any knowledge of or investigation by the Collateral Agent or any other Secured Party, and all other events and conditions whatever. All statements in any financial statement, certificate, document or instrument from time to time delivered by or on behalf of the University under or in connection with this Agreement or any other Shared Security Document shall be deemed to constitute representations and warranties by the University.

6.6. Counterparts. This Agreement and any other Shared Security Document may be executed in any number of counterparts and by the different parties hereto or thereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

6.7. Termination of Liens. Except as otherwise provided in any Shared Security Document, upon payment in full of all Obligations and termination of all obligations of the Parity Obligees to extend credit to the University, the Liens created hereby and by the other Shared Security Documents shall terminate. In addition, if the only Obligations that remain

outstanding are the Obligations of the University under or with respect to the 1999 Loan Agreement, the AIB Reimbursement Agreement and the 1999 Bonds, then the Liens created hereby and by the other Shared Security Documents shall terminate unless an Event of Default with respect to such Obligations shall have occurred and be continuing or the University shall have otherwise directed the Collateral Agent that such liens shall not so terminate. Except as otherwise provided in any Shared Security Document, upon such termination, the Collateral Agent will, at the expense of the University, redeliver and reassign to the University any remaining Shared Collateral in its possession and take all action necessary to terminate the Lien of the Collateral Agent in the Shared Collateral.

6.8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Collateral Agent (and the Collateral Agent Indemnified Parties), the other Secured Parties, the University and their respective successors and assigns, except that the University may not assign or transfer any of its rights hereunder or any interest therein, and any such purported assignment or transfer shall be void. No other Person shall have any rights hereunder or shall be entitled to rely on any provision hereof.

6.9. Governing Law. This Agreement and all other Shared Security Documents (except to the extent, if any, otherwise expressly stated in such other Shared Security Documents) shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to conflict of law principles.

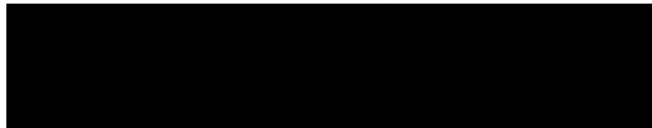
[The balance of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement as of the date first above written.

EASTERN UNIVERSITY


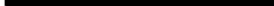


Name: David R. Black
Title: President



Name: A. Wesley Bryan
Title: Vice President

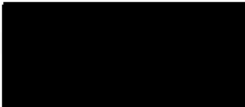

Address for notices:
1300 Eagle Road
St. Davids, PA 19087

Telephone: 
Facsimile: 

DELAWARE COUNTY AUTHORITY

By _____
Name:
Title:

Address for notices:
201 N. Jackson Street
Media, PA 19063

Telephone: 
Facsimile: 

[Signatures continued on next page.]


IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement as of the date first above written.

EASTERN UNIVERSITY

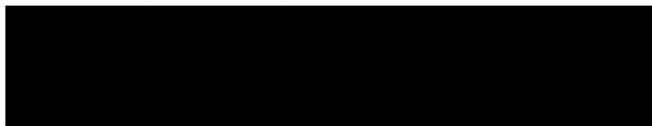
By _____
Name:
Title:

By _____
Name:
Title:

Address for notices:
1300 Eagle Road
St. Davids, PA 19087

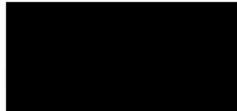
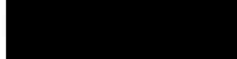
Telephone: 
Facsimile: 

DELAWARE COUNTY AUTHORITY



Name: Robert C. Brod, M.D.
Title: Chairman

Address for notices:
201 N. Jackson Street
Media, PA 19063

Telephone: 
Facsimile: 


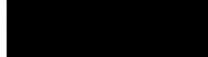
[Signatures continued on next page.]

**THE BANK OF NEW YORK TRUST
COMPANY, N.A.,
as 1999 Indenture Trustee and as
2006 Indenture Trustee**

By 

Name: 
Title: **CATHERINE DUFFY**
Vice President

Address for notices:
One Liberty Place
1650 Market Street, 47th Floor
Philadelphia, PA 19103

Telephone: 
Facsimile: 

**ALLIED IRISH BANKS, p.l.c.,
New York Branch**


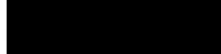
By 

Name: **Cormac Daly**
Title: **Executive Vice President**

By 

Name: *NOEL B. GIBLIN*
Title: *VP*

Address for notices:
One Commerce Square
2005 Market Street - Suite 3120
Philadelphia, PA 19103

Telephone: 
Facsimile: 

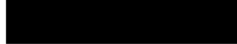
[Signatures continued on next page.]

**THE BANK OF NEW YORK TRUST
COMPANY, N.A.,
as Collateral Agent**

By 

Name: 
Title: **CATHERINE DUFFY**
Vice President

Address for notices:
One Liberty Place
1650 Market Street, 47th Floor
Philadelphia, PA 19103

Telephone: 
Facsimile: 

[Final signature page to Collateral Agency and Intercreditor Agreement.]

Exhibit A
to
Collateral Agency Agreement

FORM OF JOINDER SUPPLEMENT

THIS JOINDER SUPPLEMENT to the Collateral Agency and Intercreditor Agreement dated as of October 1, 2006 (as amended, supplemented or otherwise modified and in effect from time to time, the "Collateral Agency Agreement") among Eastern University, a Pennsylvania nonprofit corporation (the "University"), Delaware County Authority, The Bank of New York Trust Company, N.A., as 1999 Indenture Trustee and as 2006 Indenture Trustee, Allied Irish Banks, p.l.c., New York Branch, the other Persons which are or which may become party thereto as an "Additional Parity Obligee," and The Bank of New York Trust Company, N.A., as Collateral Agent (together with its successors, the "Collateral Agent").

Recitals:

A. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in, or by reference in, the Collateral Agency Agreement.

B. The Collateral Agency Agreement contemplates that in certain circumstances a Person may become party to the Collateral Agency Agreement as an "Additional Parity Obligee," in which event, among other things, the obligations of the University under the related Additional Parity Debt Agreement will be entitled to the benefit of certain Shared Security Documents.

C. The Person executing this Joinder Supplement as an Additional Parity Obligee desires to become party to the Collateral Agency Agreement as an "Additional Parity Obligee", with the agreement attached hereto being deemed an "Additional Parity Debt Agreement" referred to in the Collateral Agency Agreement.

NOW, THEREFORE, the Additional Parity Obligee, intending to be legally bound hereby, hereby represents, warrants and agrees to the Secured Parties and the University as follows:

Section 1. Joinder. The Additional Parity Obligee hereby becomes party to the Collateral Agency Agreement as an "Additional Parity Obligee" thereunder, and shall be subject to and bound by all of the provisions thereof and of the other Shared Security Documents referred to therein. The attached agreement is hereby deemed an "Additional Parity Debt Agreement" referred to in such Collateral Agency Agreement.

Section 2. Additional Parity Debt Agreement. The attached agreement is true, correct and complete and contains the entire agreement of the Additional Parity Obligee and the University relating to the subject matter thereof.

Section 3. Effectiveness. This Joinder Supplement shall be effective on the date set forth under the Collateral Agent's signature below, evidencing its receipt of a copy hereof executed by the Additional Parity Obligee and consented to by the University.

Section 4. Governing Law. This Joinder Supplement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to principles of conflicts of law.

IN WITNESS WHEREOF, the Additional Parity Obligee has caused this Joinder Supplement to be executed officer thereof as of the date set forth below.

ATTEST:

as Additional Parity Obligee

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

Address:

[CORPORATE SEAL]

Attn:

Telephone:

Facsimile:

TIN:

CONSENTED AND AGREED TO:

EASTERN UNIVERSITY

By _____
Name: _____
Title: _____

RECEIPT ACKNOWLEDGED:

**THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Collateral Agent**

By _____

Name: _____

Title: _____

Date: _____

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of October 1, 2006 (as it may be amended, modified or supplemented from time to time, this "Agreement"), made by **EASTERN UNIVERSITY**, a Pennsylvania nonprofit corporation (the "Grantor"), to **THE BANK OF NEW YORK TRUST COMPANY, N.A.**, a national banking association, as Collateral Agent under the Collateral Agency Agreement referred to below (in such capacity, together with its successors in such capacity, the "Collateral Agent") for the Secured Parties (as defined in the Collateral Agency Agreement).

BACKGROUND:

A. The Grantor, the Collateral Agent and certain other parties have entered into a Collateral Agency and Intercreditor Agreement dated as of even date herewith (as it may be amended, supplemented or otherwise modified from time to time, the "Collateral Agency Agreement"). Capitalized terms used herein and not expressly defined herein shall have the meanings given to those terms in the Collateral Agency Agreement, and in addition, unless otherwise defined herein or by reference herein, or the context otherwise clearly requires, all words and terms defined in the UCC (as hereinafter defined) shall have the same meaning in this Agreement. Pursuant to the Collateral Agency Agreement, the Collateral Agent has agreed to serve as the collateral agent of the Secured Parties with respect to certain collateral security (including this Agreement) for certain obligations of the Grantor to the Secured Parties from time to time under or in connection with the Secured Party Documents.

B. This Agreement is a "Shared Security Document" as provided in the Collateral Agency Agreement.

NOW, THEREFORE, in consideration of the premises, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

SECTION 1. Grant of Security. As security for the full and timely payment and performance of each of the Obligations, the Grantor hereby assigns, pledges, transfers and sets over unto the Collateral Agent for the benefit of the Secured Parties, and hereby grants and creates in favor of the Collateral Agent for the benefit of the Secured Parties a Lien on and security interest in, all of the Grantor's right, title and interest in, to and under the following, in each case whether now existing or hereafter arising, now owned or hereafter acquired, or wherever located (collectively, the "Collateral"):

(a) All receipts, revenues, income and other moneys held, received or receivable by or on behalf of the Grantor that are derived or that arise from tuition or fees charged by the Grantor to students, and all rights to receive the same whether in the form of accounts, contract rights, chattel paper, instruments or general intangibles, and the proceeds thereof (whether cash or non-cash), in each case whether now owned or held or hereafter acquired by the Grantor (collectively, "Tuition and Fee Revenues");

(b) All books and records relating to the foregoing Collateral, including, without limitation, all correspondence, memoranda, computer programs, tapes, discs, ledger sheets,

papers, books and other documents or transcribed information of any type and whether expressed in ordinary or machine readable language; and

(c) All products and proceeds of any and all of the foregoing Collateral.

All Collateral hereunder constitutes "Shared Collateral" as such term is used in the Collateral Agency Agreement.

SECTION 2. Security for Obligations. This Agreement secures the payment and performance of all Obligations as defined in the Collateral Agency Agreement.

SECTION 3. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) the Grantor shall remain liable under the contracts and agreements included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Collateral Agent of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral and (c) the Collateral Agent shall not have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Collateral Agent be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties of Grantor. The Grantor represents and warrants to the Collateral Agent as follows:

(a) The principal place of business and chief executive office of the Grantor and the office where the Grantor keeps its records concerning the Collateral all originals of all instruments and chattel paper that constitute Collateral are located at 1300 Eagle Road, St. Davids, PA 19087.

(b) The Grantor owns the Collateral free and clear of any Lien except for the security interest created by this Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of the Collateral Agent relating to this Agreement.

(c) This Agreement creates a valid and enforceable first priority Lien on and security interest in the Collateral, securing the payment of the Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken.

(d) No authorization, consent, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the grant by the Grantor of the Lien granted hereby or for the execution, delivery or performance of this Agreement by the Grantor or (ii) for the perfection of or the exercise by the Collateral Agent of its rights and remedies hereunder.

(e) The true and correct corporate name of the Grantor, as registered with the Secretary of State of the Commonwealth of Pennsylvania, is "Eastern University".

(f) This Agreement has been duly authorized, executed and delivered by the Grantor and constitutes the legal, valid and binding obligation of the Grantor, enforceable against the Grantor in accordance with its terms, except to the extent that such

enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles relating to or limiting creditors' rights generally.

(g) The Grantor's execution and delivery of this Agreement and the performance by the Grantor of its obligations do not and will not (i) contravene any applicable law, (ii) violate any order, rule, regulation, decree, writ or ordinance of any court, government or governmental or quasi-governmental authority having jurisdiction over the Grantor or its property, (iii) conflict with, or constitute a breach of or a default under, or otherwise result in a violation of, the Articles of Incorporation or Bylaws of the Grantor, or (iv) conflict with, or constitute a breach of or a default under, any note, mortgage or other evidence of indebtedness of the Grantor, or any material agreement, contract, indenture, document or other instrument to which the Grantor is a party or by which it is bound.

SECTION 5. Further Assurances. (a) The Grantor covenants and agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take or cause to be taken all further action, that may be necessary or desirable, or that the Collateral Agent may otherwise request, in order to perfect, protect or otherwise evidence any security interest granted or purported to be granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor will execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Collateral Agent may otherwise request, in order to perfect, preserve or otherwise evidence the security interests granted or purported to be granted hereby, and the Grantor will give the Collateral Agent and each other Secured Party at least 60 days' prior written notice of any change in the name, identity or corporate structure of the Grantor which might make any financing statement filed hereunder misleading.

(b) The Grantor hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Grantor where permitted by law. The Grantor hereby agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement where permitted by law.

(c) The Grantor will furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral, the Parity Obligations and the Parity Obligees and such other reports in connection with the Collateral, this Agreement and the Collateral Agency Agreement as the Collateral Agent or any other Secured Party may reasonably request, all in reasonable detail, and the Grantor will permit the Collateral Agent, by any of its officers, employees and designated agents, to inspect and conduct audits with respect to the Collateral at any time or times during the Grantor's normal business hours.

SECTION 6. Collection of Accounts, Etc. (a) The Grantor shall keep its principal place of business and chief executive office and the office where it keeps its records concerning the Collateral at the location therefor specified in Section 4(a) hereof or, upon 30 days' prior written notice to the Collateral Agent, at such other locations in a jurisdiction where all action required by Section 5 hereof shall have been taken with respect to the Collateral. The Grantor will hold and preserve such records and will permit representatives of the Collateral Agent at any time during normal business hours to inspect and make abstracts from such records.

(b) Except as otherwise provided in this subsection (b), the Grantor shall continue to collect, at its own expense, all amounts due or to become due the Grantor under or in respect of the accounts and other property comprising the Collateral. In connection with such collections,

the Grantor may take (and, at the Collateral Agent's direction, shall take) such action as the Grantor or the Collateral Agent may deem necessary or advisable to enforce collection of the Collateral; provided, however, that the Collateral Agent shall have the right at any time upon the occurrence and during the continuance of an event of default under any of the Secured Party Documents and upon written notice to the Grantor of its intention to do so, to notify the account debtors or obligors under any Collateral of the assignment of such Collateral to the Collateral Agent and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Collateral Agent, to enforce collection of any such Collateral, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done. After receipt by the Grantor of the notice from the Collateral Agent referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including instruments) received by the Grantor in respect of the Collateral shall be received in trust for the benefit of the Collateral Agent hereunder, shall be immediately segregated from other funds of the Grantor and shall be forthwith paid over to the Collateral Agent in the same form as so received (with any necessary endorsement), and (ii) the Grantor shall not adjust, settle or compromise the amount or payment of any item of Collateral, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon. All amounts and proceeds of any Collateral received directly by or turned over to the Collateral Agent shall be deposited by the Collateral Agent in the Shared Collateral Account and invested or applied as provided in the Collateral Agency Agreement.

SECTION 7. Transfers and Liens. The Grantor covenants and agrees that it shall not:

- (a) sell, lease, exchange, assign (voluntarily, by operation of law or otherwise) or otherwise dispose of any of the Collateral;
- (b) create or suffer to exist any Lien upon or with respect to any of the Collateral to secure indebtedness (in any form) of any Person, except for the security interest created by this Agreement and any Liens permitted under any Secured Party Documents; or
- (c) use any of the Collateral illegally.

SECTION 8. Collateral Agent Appointed Attorney-in-Fact; Grant of License. The Grantor hereby irrevocably appoints the Collateral Agent as the Grantor's attorney-in-fact (coupled with an interest), with full authority in the place and stead of the Grantor and in the name of the Grantor, the Collateral Agent or otherwise, from time to time in the Collateral Agent's discretion, at the Grantor's cost and expense, to take any action and to execute any instrument which the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement (subject to the rights of the Grantor under Section 6 hereof), including, without limitation:

- (a) to ask for, demand, collect, compromise, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral,
- (b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above, and
- (c) to file any claims or take any action or institute any proceedings which the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral.

SECTION 9. Collateral Agent May Perform. If the Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by the Grantor under Section 12(b) hereof.

SECTION 10. Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 11. Remedies. If any Event of Default shall have occurred and be continuing, the Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect on the date hereof in the Commonwealth of Pennsylvania (the "UCC") (whether or not the UCC applies to the affected Collateral, except to the extent that the application of the UCC to the affected Collateral is prohibited by another applicable law), and in addition the following provisions shall apply:

(a) The Collateral Agent may take absolute control of the Collateral, including without limitation transfer into the Collateral Agent's name or into the name of its nominee or nominees (to the extent the Collateral Agent has not theretofore done so) and thereafter receive, for the benefit of the Secured Parties, all payments made thereon, give all consents, waivers and ratifications with respect thereto and otherwise act with respect thereto as though it were the outright owner thereof.

(b) The Collateral Agent may take the Collateral or any part thereof into its possession, by such means (without breach of the peace) and through agents or otherwise as it may elect (and in connection therewith, require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent which is reasonably convenient to both parties).

(c) The Collateral Agent may, for the benefit of the Secured Parties, without being required to give any notice except to the extent hereinafter provided, apply the cash, if any, then held by it as Collateral hereunder to the payment of the Obligations and, if there shall be no such cash or the cash so applied shall be insufficient to pay in full all Obligations, sell, lease or otherwise dispose of the Collateral or any part thereof (in any order which the Collateral Agent may choose in its sole discretion) in its then condition or following any commercially reasonable preparation or processing, one or more by one or more contracts, in one or more parcels, at public or private proceedings (conducted by any officer or agent of, or auctioneer or attorney for, the Collateral Agent), at any time or place, for cash, on credit or for other property, for immediate or future delivery, and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable. The Collateral Agent may, in its sole discretion, with respect to any such sale or other disposition, restrict the prospective bidders or purchasers as to their number, nature of business and investment intention. In the case of any sale or other disposition of all or any part of the Collateral on credit or for future delivery, the Collateral so sold or disposed of may be retained by the Collateral Agent until the full purchase price is paid by the purchaser thereof, but the Collateral Agent shall incur no liability in case of the failure of

such purchaser to take up and pay for the collateral so sold or disposed of and, in case of any such failure, such Collateral may again be sold or otherwise disposed of pursuant to the provisions hereof. The Grantor agrees that, to the extent notice of sale or other disposition shall be required by law, at least ten days' notice to the Grantor of the time and place of any public sale, or the time after which any private sale or other intended disposition is to be made, shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale or other disposition of Collateral regardless of notice of sale or other intended disposition having been given. The Collateral Agent may adjourn any public or private proceedings for the sale or disposition of Collateral from time to time by announcement at the time and place fixed therefor, and such sale or other disposition may, without further notice, be made at the time and place to which it was so adjourned. Upon any such sale or other disposition of the Collateral, the Collateral Agent shall have the right to deliver, assign and transfer to the purchaser thereof the collateral so sold or disposed of, and each such purchaser (including the Collateral Agent and any other Secured Party) at any such sale or disposition shall hold the Collateral so sold absolutely free from any claim or right of any kind, including any equity or right of redemption, of the Grantor, and the Grantor hereby expressly waives, to the fullest extent permitted by applicable law, all rights of redemption, stay or appraisal that it has or may have under any rule of law or statute now existing or hereafter adopted.

(d) All payments and distributions on account of the Collateral and the proceeds of any sale or other disposition of, collection from, or other realization upon, any part of the Collateral shall be deposited in the Shared Collateral Account for application or distribution in accordance with the provisions of the Collateral Agency Agreement.

(e) The Collateral Agent as attorney-in-fact pursuant to Section 8 hereof may, in the name and stead of the Grantor, make and execute all conveyances, assignments and transfers of the Collateral sold or disposed of pursuant to this Agreement, and to the maximum extent permitted by law, the Grantor hereby ratifies and confirms all that the Collateral Agent, as attorney-in-fact, shall do by virtue hereof. Nevertheless, the Grantor shall, if so requested by the Collateral Agent, ratify and confirm any sale or sales by executing and delivering to the Collateral Agent, or to the purchaser or purchasers, all such instruments as may, in the judgment of the Collateral Agent, be advisable for the purpose.

(f) The receipt of the Collateral Agent for the purchase money paid at any such sale made by it shall be a sufficient discharge therefor to any purchaser of the Collateral, or any portion thereof, sold as aforesaid; and no such purchaser (or the representatives or assigns of such purchaser), after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money or any part thereof or in any manner whatsoever be answerable for any loss, misapplication or nonapplication of any such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

(g) The Collateral Agent shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale conducted in a commercially reasonable manner. The Grantor hereby waives, to the fullest extent permitted by applicable law, any claims against the Collateral Agent arising by reason of the fact that the price at which the Collateral, or any part thereof, may have been sold at a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Obligations, even if the Collateral Agent accepts the first offer received that the Collateral Agent in good faith deems to be commercially reasonable under the circumstances and does not offer the Collateral to more than one offeree. To the maximum extent permitted

by law, the Grantor shall have the burden of proving that any such sale of the Collateral was conducted in a commercially unreasonable manner.

SECTION 12. Indemnity and Expenses. (a) The Grantor agrees to indemnify and to hold the Collateral Agent and its directors, officers, agents and employees (collectively, the "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, 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 (collectively, "Losses") that may be imposed on, incurred by, or asserted against the Indemnitees or any of them for following any instruction or other direction upon which the Collateral Agent is authorized to rely pursuant to the terms of this Agreement. In addition to and not in limitation of the immediately preceding sentence, the Grantor 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 Collateral Agent's performance under this Agreement, provided the Collateral Agent has not acted with gross negligence or engaged in willful misconduct. The provisions of this Section 12 shall survive the termination of this Agreement and the resignation or removal of the Collateral Agent for any reason.

(b) The Grantor will upon demand pay to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which the Collateral Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, preparation for sale or other disposition of, or the sale or other disposition of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Collateral Agent hereunder or (iv) the failure by the Grantor to perform or observe any of the provisions hereof.

SECTION 13. Amendments; Cumulative Remedies. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Grantor herefrom shall in any event be effective unless the same shall be in writing and signed by the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The rights and remedies of the Collateral Agent under this Agreement are cumulative and not exclusive of any rights or remedies which the Collateral Agent would otherwise have.

SECTION 14. Addresses for Notices. All notices and other communications provided for hereunder shall be given in the form and in the manner provided in, and to the addresses specified under, the Collateral Agency Agreement.

SECTION 15. Continuing Security Interest. This Agreement shall create a continuing Lien on and security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Obligations and termination of the other Secured Party Documents, (ii) be binding upon the Grantor, its successors and assigns and (iii) inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, transferees and assigns.

SECTION 16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the Lien created hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the Commonwealth of Pennsylvania.

SECTION 17. Severability; Counterparts. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Grantor and the Collateral Agent have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

EASTERN UNIVERSITY

By _____

Title: President

By _____

Title: Vice President

**THE BANK OF NEW YORK TRUST
COMPANY, N.A.,
as Collateral Agent**

By _____

Title: _____

APPENDIX D

FORM OF OPINIONS OF CO-BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

**Below is the Proposed Form of Bond Counsel Opinion Expected to be Delivered in
Connection with the Issuance of the Bonds**

[Dated Date of Issuance and Delivery of Bonds]

Pennsylvania Economic Development
Financing Authority, as Issuer
Harrisburg, Pennsylvania

Re: \$ _____ Pennsylvania Economic Development Financing Authority
University Revenue Bonds (Eastern University Project), Series A of 2025

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Pennsylvania Economic Development Financing Authority (the “Issuer”) of \$ _____ aggregate principal amount of its University Revenue Bonds (Eastern University), Series A of 2025 (the “2025A Bonds”) pursuant to the laws of the Act of August 23, 1967, P.L. 251, as amended, known as the Pennsylvania Economic Development Financing Law, as from time to time amended (the “Act”) and pursuant to a Trust Indenture dated as of May 1, 2025 (the “Indenture”) from the Issuer to The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

The 2025A Bonds are being issued for the purpose of providing funds which will be used to finance a project (the “Project”) for the benefit of Eastern University, a corporation not-for-profit under laws of the Commonwealth of Pennsylvania (the “University”), consisting generally of the (i) refunding of all of the outstanding Revenue Bonds (Eastern University), Series of 2012 and the outstanding Revenue Bonds (Eastern University), Series of 2022 (the “2022 Bonds”) issued by the Delaware County Authority; (ii) reimbursement of costs incurred in connection with the acquisition of property (land and improvements) situate at 8 Fenimore Lane, Radnor Township, Delaware County, Pennsylvania; (iii) funding of a deposit to the Debt Service Reserve Fund established under the Indenture to meet the Debt Service Reserve Fund Requirement, as defined in the Indenture, for the 2025A Bonds; and (iv) payment of certain costs and expenses related to issuing the 2025A Bonds.

The Issuer and the University have entered into a Loan Agreement, dated as of May 1, 2025 (the “Loan Agreement”), under which the Issuer has agreed to lend the proceeds of sale of the 2025A Bonds to the University for purposes of the Project. Under the Loan Agreement, the University is obligated to make loan payments in amounts and at times sufficient to pay, when due, the principal or redemption price of and interest on the 2025A Bonds. Under the Indenture, the Issuer has assigned certain of its interests under the Loan Agreement, including its right to receive

the payments under the Loan Agreement in respect of the 2025A Bonds, to the Trustee for the benefit of the holders of the 2025A Bonds.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the University contained in the various documents and instruments mentioned herein, the certified proceedings and other certifications of public officials furnished to us and certifications furnished to us by or on behalf of the University, without undertaking to verify such facts by independent investigation.

In the course of the performance of our duties as Bond Counsel to the Issuer, we have also examined such other documents, opinions, records, orders, notices, certificates, statutes, resolutions, decisions, and rulings as we have deemed necessary to enable us to furnish this opinion, including, *inter alia*, the following: the executed Indenture; the executed Loan Agreement; certain documents required by the Indenture to be furnished to the Trustee as conditions precedent to authentication and delivery by the Trustee of the 2025A Bonds; certificates executed by officers of the Issuer and the University; a Tax Certificate and Agreement executed by the University and the Issuer (the “Tax Certificate”); and usual and required closing affidavits, certificates, and documents. We have also examined an executed and authenticated 2025A Bond and assume that all 2025A Bonds have been similarly executed and authenticated, and that all 2025A Bonds will be issued in registered form and authenticated by the Trustee as required by the Indenture. We assume that the Indenture has been duly authorized, executed and delivered by the Trustee and the Loan Agreement has been duly authorized, executed, and delivered by the University.

In rendering this opinion, we have examined and relied upon the opinions of counsel to the Issuer and the University with respect, *inter alia*, to the due organization, existence and good standing of the Issuer and the University, respectively; the authorization, execution and delivery of the documents to which they are parties; and the validity and binding effect thereof on the Issuer and the University.

We have further relied upon the covenants of the Issuer and the University as set forth in the Indenture, in the Loan Agreement and in the Tax Certificate wherein they agree, *inter alia*, to comply continually with the applicable requirements of the Internal Revenue Code of 1986, as amended, and all applicable regulations thereunder in effect (the “Code”), in order to ensure that the interest payable on the 2025A Bonds is and shall remain excludable from the gross income of the owners of the 2025A Bonds. The University has represented in the Loan Agreement that it is an organization described in Section 501(c)(3) of the Code, is not a “private foundation” within the meaning of Section 509(a) of the Code and is exempt from federal income tax under Section 501(a) of the Code, except for unrelated business income subject to taxation under Section 511 of 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 any property now or hereafter owned by it any trade or business if the conduct of such trade or business would adversely affect the validity of the 2025A Bonds or cause the interest paid by the Issuer on the 2025A Bonds to be includible in gross income for purposes of federal income tax.

Based upon the foregoing, we are of the opinion that:

1. The Issuer is validly existing as a public body and a body corporate and politic validly subsisting under the laws of the Commonwealth of Pennsylvania, with the corporate power and authority to issue the 2025A Bonds and to enter into and perform its obligations under the Indenture and the Loan Agreement.

2. The Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Issuer and, assuming such documents have been duly authorized, executed and delivered by the other parties thereto, are valid and binding obligations of the Issuer and are enforceable against the Issuer.

3. The 2025A Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the moneys pledged or available for such purpose under the Indenture. The 2025A Bonds do not constitute a pledge of the general credit or taxing power of the Commonwealth of Pennsylvania or of any political subdivision thereof. The Issuer has no taxing power.

4. Under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, interest on the 2025A Bonds is exempt from Pennsylvania personal income tax and corporate net income tax.

5. Interest on the 2025A Bonds is excludable from gross income for federal income tax purposes under existing laws as enacted and construed on the date of initial delivery of the 2025A Bonds. Interest on the 2025A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the 2025A Bonds is taken into account in determining annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the federal alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentences are subject to the condition that the Issuer and the University comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2025A Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer and the University have covenanted to comply with all such requirements. Our opinion assumes compliance with such covenants, and we do not undertake to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2025A Bonds may affect the tax status of interest on the 2025A Bonds. Failure to comply with certain of such requirements may cause interest on the 2025A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2025A Bonds.

Ownership of tax-exempt obligations, including the 2025A Bonds, may result in collateral federal income tax consequences to certain taxpayers, including financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, S corporations with “excess net passive income” and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Other than as expressly set forth herein, we express no opinion as to any such collateral federal income tax consequences.

We have not been engaged and have not undertaken to review the accuracy, completeness or sufficiency of any offering material of the Issuer or the University relating to the 2025A Bonds and we express no opinion relating thereto.

It is to be understood that the rights of the holders of the 2025A Bonds and the enforceability of the 2025A Bonds, the Indenture and the Loan Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have not been engaged to express and do not express any opinion herein with respect to the priority of the lien of the Indenture or with respect to the adequacy of the security for the 2025A Bonds or the sources of payment for the 2025A Bonds. We express no opinion with respect to any matters not specifically set forth herein.

This opinion is rendered solely for the benefit of the addressee hereof in connection with the initial issuance of the 2025A Bonds. The addressee may not rely on this opinion letter for any other purpose and no other person may rely on this opinion letter for any purpose without the express written consent of the undersigned.

This opinion letter is limited to the matters set forth herein. This opinion letter is subject to future changes in applicable law, and we do not undertake any obligation to update any of the opinions expressed in this letter. No opinion may be inferred or implied beyond the matters expressly stated herein, and our opinions expressed herein must be read in conjunction with the assumptions, limitations, exceptions and qualifications set forth herein. The law covered by the opinions expressed herein is limited to the laws of the Commonwealth of Pennsylvania and the federal law of the United States of America. Our engagement as Bond Counsel has concluded with the issuance of the 2025A Bonds.

Very truly yours,

MCNEES WALLACE & NURICK LLC

[Co-Bond Counsel Opinion]
[Dated Date of Issuance and Delivery of Bonds]

Pennsylvania Economic Development
Financing Authority, as Issuer
Harrisburg, Pennsylvania

Re: \$_____ Pennsylvania Economic Development Financing Authority
University Revenue Bonds (Eastern University Project), Series A of 2025

Ladies and Gentlemen:

We have acted as Co-Bond Counsel in connection with the issuance by the Pennsylvania Economic Development Financing Authority (the “Issuer”) of \$_____ aggregate principal amount of its University Revenue Bonds (Eastern University), Series A of 2025 (the “2025A Bonds”) pursuant to the laws of the Act of August 23, 1967, P.L. 251, as amended, known as the Pennsylvania Economic Development Financing Law, as from time to time amended (the “Act”) and pursuant to a Trust Indenture dated as of May 1, 2025 (the “Indenture”) from the Issuer to The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

The 2025A Bonds are being issued for the purpose of providing funds which will be used to finance a project (the “Project”) for the benefit of Eastern University, a corporation not-for-profit under laws of the Commonwealth of Pennsylvania (the “University”), consisting generally of the (i) refunding of all of the outstanding Revenue Bonds (Eastern University), Series of 2012 and the outstanding Revenue Bonds (Eastern University), Series of 2022 (the “2022 Bonds”) issued by the Delaware County Authority; (ii) reimbursement of costs incurred in connection with the acquisition of property (land and improvements) situate at 8 Fenimore Lane, Radnor Township, Delaware County, Pennsylvania; (iii) funding of a deposit to the Debt Service Reserve Fund established under the Indenture to meet the Debt Service Reserve Fund Requirement, as defined in the Indenture, for the 2025A Bonds; and (iv) payment of certain costs and expenses related to issuing the 2025A Bonds.

The Issuer and the University have entered into a Loan Agreement, dated as of May 1, 2025 (the “Loan Agreement”), under which the Issuer has agreed to lend the proceeds of sale of the 2025A Bonds to the University for purposes of the Project. Under the Loan Agreement, the University is obligated to make loan payments in amounts and at times sufficient to pay, when due, the principal or redemption price of and interest on the 2025A Bonds. Under the Indenture, the Issuer has assigned certain of its interests under the Loan Agreement, including its right to receive the payments under the Loan Agreement in respect of the 2025A Bonds, to the Trustee for the benefit of the holders of the 2025A Bonds.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the University contained in the various documents and instruments mentioned herein, the

certified proceedings and other certifications of public officials furnished to us and certifications furnished to us by or on behalf of the University, without undertaking to verify such facts by independent investigation.

In the course of the performance of our duties as Co-Bond Counsel to the Issuer, we have also examined such other documents, opinions, records, orders, notices, certificates, statutes, resolutions, decisions, and rulings as we have deemed necessary to enable us to furnish this opinion, including, *inter alia*, the following: the executed Indenture; the executed Loan Agreement; certain documents required by the Indenture to be furnished to the Trustee as conditions precedent to authentication and delivery by the Trustee of the 2025A Bonds; certificates executed by officers of the Issuer and the University; a Tax Certificate and Agreement executed by the University and the Issuer (the “Tax Certificate”); and usual and required closing affidavits, certificates, and documents. We have also examined an executed and authenticated 2025A Bond and assume that all 2025A Bonds have been similarly executed and authenticated, and that all 2025A Bonds will be issued in registered form and authenticated by the Trustee as required by the Indenture. We assume that the Indenture has been duly authorized, executed and delivered by the Trustee and the Loan Agreement has been duly authorized, executed, and delivered by the University.

In rendering this opinion, we have examined and relied upon the opinions of counsel to the Issuer and the University with respect, *inter alia*, to the due organization, existence and good standing of the Issuer and the University, respectively; the authorization, execution and delivery of the documents to which they are parties; and the validity and binding effect thereof on the Issuer and the University.

We have further relied upon the covenants of the Issuer and the University as set forth in the Indenture, in the Loan Agreement and in the Tax Certificate wherein they agree, *inter alia*, to comply continually with the applicable requirements of the Internal Revenue Code of 1986, as amended, and all applicable regulations thereunder in effect (the “Code”), in order to ensure that the interest payable on the 2025A Bonds is and shall remain excludable from the gross income of the owners of the 2025A Bonds. The University has represented in the Loan Agreement that it is an organization described in Section 501(c)(3) of the Code, is not a “private foundation” within the meaning of Section 509(a) of the Code and is exempt from federal income tax under Section 501(a) of the Code, except for unrelated business income subject to taxation under Section 511 of 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 any property now or hereafter owned by it any trade or business if the conduct of such trade or business would adversely affect the validity of the 2025A Bonds or cause the interest paid by the Issuer on the 2025A Bonds to be includible in gross income for purposes of federal income tax.

Based upon the foregoing, we are of the opinion that:

1. The Issuer is validly existing as a public body and a body corporate and politic validly subsisting under the laws of the Commonwealth of Pennsylvania, with the corporate power and authority to issue the 2025A Bonds and to enter into and perform its obligations under the Indenture and the Loan Agreement.

2. The Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Issuer and, assuming such documents have been duly authorized, executed and delivered by the other parties thereto, are valid and binding obligations of the Issuer and are enforceable against the Issuer.

3. The 2025A Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the moneys pledged or available for such purpose under the Indenture. The 2025A Bonds do not constitute a pledge of the general credit or taxing power of the Commonwealth of Pennsylvania or of any political subdivision thereof. The Issuer has no taxing power.

4. Under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, interest on the 2025A Bonds is exempt from Pennsylvania personal income tax and corporate net income tax.

5. Interest on the 2025A Bonds is excludable from gross income for federal income tax purposes under existing laws as enacted and construed on the date of initial delivery of the 2025A Bonds. Interest on the 2025A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the 2025A Bonds is taken into account in determining annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the federal alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentences are subject to the condition that the Issuer and the University comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2025A Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer and the University have covenanted to comply with all such requirements. Our opinion assumes compliance with such covenants, and we do not undertake to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2025A Bonds may affect the tax status of interest on the 2025A Bonds. Failure to comply with certain of such requirements may cause interest on the 2025A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2025A Bonds.

Ownership of tax-exempt obligations, including the 2025A Bonds, may result in collateral federal income tax consequences to certain taxpayers, including financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, S corporations with “excess net passive income” and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Other than as expressly set forth herein, we express no opinion as to any such collateral federal income tax consequences.

We have not been engaged and have not undertaken to review the accuracy, completeness or sufficiency of any offering material of the Issuer or the University relating to the 2025A Bonds and we express no opinion relating thereto.

It is to be understood that the rights of the holders of the 2025A Bonds and the enforceability of the 2025A Bonds, the Indenture and the Loan Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have not been engaged to express and do not express any opinion herein with respect to the priority of the lien of the Indenture or with respect to the adequacy of the security for the 2025A

Bonds or the sources of payment for the 2025A Bonds. We express no opinion with respect to any matters not specifically set forth herein.

This opinion is rendered solely for the benefit of the addressee hereof in connection with the initial issuance of the 2025A Bonds. The addressee may not rely on this opinion letter for any other purpose and no other person may rely on this opinion letter for any purpose without the express written consent of the undersigned.

This opinion letter is limited to the matters set forth herein. This opinion letter is subject to future changes in applicable law, and we do not undertake any obligation to update any of the opinions expressed in this letter. No opinion may be inferred or implied beyond the matters expressly stated herein, and our opinions expressed herein must be read in conjunction with the assumptions, limitations, exceptions and qualifications set forth herein. The law covered by the opinions expressed herein is limited to the laws of the Commonwealth of Pennsylvania and the federal law of the United States of America. Our engagement as Co-Bond Counsel has concluded with the issuance of the 2025A Bonds.

Very truly yours,

Nathaniel Holmes, Esq.
nate@nateholmeslaw.com

NMH/

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) made as of the 1st day of May, 2025, by and between Eastern University (the “University”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), in connection with the issuance and sale of the Pennsylvania Economic Development Financing Authority University Revenue Bonds (Eastern University Project), Series A of 2025 (the “Bonds”).

WITNESSETH

WHEREAS, pursuant to a Bond Purchase Agreement between the Pennsylvania Economic Development Financing Authority (the “Authority”) and Raymond James & Associates, Inc., the underwriter (the “Underwriter”), the Authority is selling the Bonds to the Underwriter; 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 the 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 connection with other issuers of such municipal securities of 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 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 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:

Section 1. Definitions

In this Disclosure Agreement and any agreement supplemental hereto (except as otherwise expressly provided or unless the context clearly otherwise requires) terms used as defined terms in the recitals hereto shall have the same meanings throughout this Disclosure Agreement, and, in addition, the following terms shall have the meanings specified below.

“Agreement” means the Loan Agreement dated as of May 1, 2025, between the Authority and the University.

“Annual Financial Information” shall mean annual financial or operating data regarding the University of the nature contained in the sections of the Official Statement described in Section 3(b) hereof, and which financial and operating data of the University shall also include the annual audited financial statements of the University. The University’s annual audited financial statements are prepared in accordance with generally accepted accounting principles.

“Business Day” shall mean any day other than a Saturday, Sunday or a day on which the University is authorized by law or executive order to remain closed.

“Commonwealth” shall mean the Commonwealth of Pennsylvania.

“Disclosure Agreement” shall mean this agreement and all amendments and supplements hereto.

“Disclosure Representative” shall mean the Vice President for Finance and Operations of the University or such other official or employee of the University as shall be designated in writing by the University to an Agent (as hereinafter defined).

“EMMA” shall mean the Electronic Municipal Market Access System maintained by the MSRB at <http://emma.msrb.org/>, which serves as the sole nationally recognized municipal securities information repository under the Rule.

“Financial Obligation” shall mean, for purposes of the Notice Events set out in paragraphs (15) and (16) of Section 4(a) hereof, a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of the obligations described in subsections (i) or (ii) of this definition. The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Indenture” means the Trust Indenture, dated as of May 1, 2025, between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, and any successor trustee thereto.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Notice Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Official Statement” shall mean the Official Statement, dated _____, 2025, of the Authority and the University with respect to the Bonds.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with its purchase and reoffering of the Bonds.

“Registered Owner or Owners” shall mean the person or persons in whose name a Bond is registered on the books of the University kept by the trustee for that purpose in accordance with the Indenture and the Bonds. For so long as the Bonds shall be registered in the name of the Securities Depository or its nominee, the term Registered Owner or Owners shall also mean and include, for the purposes of this Disclosure Agreement, the beneficial owners of the Bonds who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise have or share: (a) voting power which includes the power to vote, or to direct the voting of, the Bonds; or (b) investment power which includes the power to dispose or to direct the disposition of a Bond. Beneficial owners of book-entry credits may file their names and addresses with the University for purposes of receiving notices or giving direction under this Disclosure Agreement; provided, however, that the University or the Agent, if appropriate, may require owners of book-entry credits to establish proof of ownership of such book-entry credits.

“Rule” shall mean Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as such Rule may be amended from time to time.

“Securities Depository” shall mean The Depository Trust Company, New York, New York, and its nominee, Cede & Co.

Terms not otherwise defined herein shall have the same meanings as set forth in the Agreement or Indenture.

Section 2. Authorization and Purpose of Disclosure Agreement

This Disclosure Agreement is authorized to be executed and delivered by the University in order to assist the Participating Underwriter in complying with the requirements of the Rule.

The University is the only obligated person with respect to the Bonds for the purposes of the Rule.

Section 3. Annual Financial Information

(a) By the 31st day of December, of each year following the close of each fiscal year of the University, commencing on December 31, 2025 (such date and each anniversary thereof is the “Annual Filing Date”) with regard to the University’s fiscal year ending June 30, 2025, the University shall provide the Trustee and shall file the Annual Financial Information for such fiscal year with the MSRB via EMMA. The Trustee shall have no duty to review the Annual Financial Information for content.

(b) Annual Financial Information shall include annual financial and operating data of the University of the nature contained in the tables in the Appendix A to the Official Statement under the following headings “Faculty and Staff”, “Headcount Enrollment”, “Admission Statistics”, “Tuition and Fees”, “Financial Aid”, “Fundraising and Grants”, “Endowment” and “Investments”.

(c) If the University is unable to file its annual audited financial statements as part of its filing of the Annual Financial Information required by Section 3(a) above, it shall file in a timely manner with the MSRB via EMMA an annual financial report (the “Interim Report”) for the most recent fiscal year of the University which may, but need not, be its comprehensive annual financial report, if any, but which shall include, at a minimum, its unaudited financial statements for such fiscal year presented in conformity with generally accepted accounting principles; provided, however, if the University files the Interim Report, the University shall also file with the MSRB via EMMA such independently audited financial statements as soon as they become available.

(d) Financial information and operating data to be provided pursuant to this Section 3 may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) publicly filed with the MSRB or the SEC. The University shall clearly identify each such other document so incorporated by reference.

(e) With respect to the filing of annual financial information and operating data, the University reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information to the extent necessary or appropriate as a result of a change in legal requirements or a change in the nature of the University or its operations or financial reporting, but the University agrees that any such modification will be done in a manner consistent with the Rule. Any information provided under this Section containing modified operating data or financial information must explain in narrative form the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

(f) The University may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Trustee and EMMA,

provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

Section 4. Notice Events

(a) The University agrees that it shall provide, in a timely manner, not in excess of ten (10) Business Days after the occurrence of the event, to the MSRB via EMMA, notice of any of the following events (“Notice Events”) with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bond holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the University¹;
- (13) The consummation of a merger, consolidation, or acquisition involving the University, the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive

¹ This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court 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 governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) Appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) Incurrence of a Financial Obligation of the University, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the University, any of which affects holders of the Bonds, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

The foregoing sixteen Notice Events are quoted from the Rule. The Rule requires the listing of the Notice Events set forth in clauses (1) through (16) above although some of such events may not be applicable to the Bonds.

(b) Whenever the University concludes that a Notice Event has occurred, it shall file in a timely manner not in excess of ten (10) Business Days after the occurrence of such event, a notice of such occurrence specifying the Notice Event with the MSRB via EMMA.

(c) The University shall obtain a written acknowledgment of or a receipt (including an electronic receipt or confirmation) for any notice delivered to the MSRB via EMMA, which shall specify, among other things, the date the notice was received. All such written acknowledgements or receipts of notice returned to the University shall be retained by the University until the termination of this Disclosure Agreement.

(d) The Trustee is under no obligation to notify the University of an event that may constitute a Notice Event. In the event the Trustee so notifies the University, the University will within two Business Days of receipt of such notice (but in any event not later than the 10th Business Day after the occurrence of the Notice Event, if the University determines that a Notice Event has occurred), report such occurrence pursuant to subsection (b) of this Section 4.

(e) The University agrees that it will also provide to the MSRB via EMMA notice of any failure by the University to timely file the Annual Financial Information required by Section 3 hereof.

Section 5. Amendment; Waiver

(a) Notwithstanding any other provision of this Disclosure Agreement, the University and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the University, provided, however, that no such amendment shall modify the duties or obligations of the Trustee hereunder without the written consent and approval of the Trustee), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(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;

(2) this Disclosure Agreement, as amended by the amendment or waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of 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 Registered Owners of the Bonds.

(b) Evidence of compliance with the conditions set forth in clause (a) of this Section 5 shall be satisfied by the delivery to the University of an opinion of counsel having recognized experience and skill in the issuance of municipal securities and federal securities law, to the effect that the amendment or waiver satisfies the conditions set forth in clauses (a)(1), (2), and (3) of this Section 5.

(c) Notice of any amendment or waiver containing an explanation of the reasons therefor shall be prepared and filed by the University, at the time of filing of the Annual Financial Information filed pursuant to Section 3 hereof.

Section 6. Other Information

Nothing in this Disclosure Agreement shall preclude the University from disseminating any other information with respect to the University or the Bonds, using the means of communication provided in this Disclosure Agreement or otherwise, in addition to the Annual Financial Information and the notices of Notice Events specifically provided for herein. Any election by the University to furnish any information not specifically provided for herein in any notice given pursuant to this Disclosure Agreement or by the means of communication provided for herein shall not be deemed to be an additional contractual undertaking and the University shall have no obligation to furnish such information in any subsequent notice or by the same means of communication.

Section 7. Default

(a) In the event that the University or the Trustee fails to comply with any provision of this Disclosure Agreement, the rights of any Registered Owner or Beneficial Owner of the Bonds or the Underwriter shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the University or the Trustee, as the case may be, to comply with its respective obligations under the Disclosure Agreement, provided, however, that all rights and remedies shall be limited to those expressly stated herein.

(b) A default under this Disclosure Agreement shall not be or be deemed to be a default under the Bonds, the Agreement, the Indenture or any other document relating to the Bonds and the sole remedy in the event of a failure by the University to comply with the provisions hereof shall be the action to compel performance described in clause (a) above.

Section 8. Concerning the University

The University may execute any powers hereunder and perform any duties required of it through attorneys, agents, and other experts, officers, or employees, selected by it, and the written advice of such counsel or other experts shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

Section 9. Dissemination Agent

The University may from time to time, appoint or engage a dissemination agent to assist in carrying out its obligations under this Disclosure Agreement and may discharge any such dissemination agent, with or without appointing a replacement dissemination agent.

Section 10. Duties, Immunities and Liabilities of the Trustee

(a) The Trustee shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Trustee's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the University has provided such information to the Trustee as required by this Disclosure Agreement. The Trustee shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Trustee shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the University and shall not be deemed to be acting in any fiduciary capacity for the University, the Owners or Beneficial Owners of the Bonds or any other party. The Trustee shall have no responsibility for the University's failure to report to the Trustee a Notice Event or a duty to determine the materiality thereof. The Trustee shall have no duty to determine, or liability for failing to determine, whether the University has complied with this Disclosure Agreement.

(b) The University agrees to indemnify and save the Trustee and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the reasonable and documented costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Trustee's negligence or willful misconduct. The obligations of the University under this Section shall survive resignation or removal of the Trustee and payment of the Bonds. The Trustee shall be paid compensation by the University for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and all reasonable and documented expenses, legal fees and advances made or incurred by the Trustee in the performance of its duties hereunder. In acting pursuant to this Disclosure Agreement, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under the Indenture, including Article VII thereof.

Section 11. Term of Disclosure Agreement

This Disclosure Agreement shall terminate: (1) upon payment or provision for payment in full 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.

Section 12. Beneficiaries

This Disclosure Agreement shall inure solely to the benefit of the Authority, the University, the Trustee, the dissemination agent (if any), the Underwriter and the Registered Owners, from time to time, of the Bonds and nothing herein contained shall confer any right upon any other person.

Section 13. 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 electronic mail with confirmation of receipt, addressed:

- (a) To the University or the Disclosure Representative at:

Eastern University
1300 Eagle Road
St. Davids, PA 19087
Telephone No.: (610) 225-5699
Email: trevor.jackson@eastern.edu
Attention: Vice President for Finance and Operations

- (b) To the Trustee:

The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, Client Service Center
Pittsburgh, PA 05262
Telephone No.: (412) 234-9982
Email: Madison.heim@bny.com
Attention: Madison Heim

- (c) To the MSRB at <http://emma.msrb.org>; or such other address as may be designated by the MSRB.

The University and the Trustee may, by written notice hereunder, designate any further or different address to which subsequent notices, certificates or other communications shall be sent.

Section 14. No Personal Recourse

No personal recourse shall be had for any claim based on this Disclosure Agreement against any member, officer, or employee, past, present or future, of the Authority or the University (including without limitation, the Disclosure Representative), or of any successor bodies of such, either directly or through the Authority, the University or successor bodies of such, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 15. Controlling Law

This Disclosure Agreement and all matters arising out of or related to this Disclosure Agreement shall be governed by and construed in accordance with the laws of the Commonwealth, without regard to its conflict of laws principles.

Section 16. Successors and Assigns

All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the University shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 17. 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.

Section 18. Counterparts

This Disclosure Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, EASTERN UNIVERSITY, has caused this Disclosure Agreement to be duly executed as of the day and year first above written.

EASTERN UNIVERSITY

By: _____
(Vice) President

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

By: _____
(Vice) President

