OFFICIAL STATEMENT DATED JUNE 27, 2016

NEW ISSUE – BOOK ENTRY ONLY **RATING (S&P):"A-" (Stable Outlook) See: "RATING" herein**

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the Bonds is not a preference item for purposes of either individual or corporate federal alternative minimum tax; however, interest paid to corporate holders of the Bonds may be indirectly subject to alternative minimum tax under circumstances described under "TAX MATTERS" herein. Bond Counsel is also of the opinion that, under the laws of the Commonwealth of Pennsylvania, interest on the Bonds is exempt from Pennsylvania personal income tax and corporate net income tax, and the Bonds are exempt from personal property taxes in Pennsylvania. See "TAX MATTERS" herein.

$15,655,000
YORK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(Commonwealth of Pennsylvania)
Revenue Bonds
(AICUP Financing Program – York College of Pennsylvania Project)
Series 2016 OO3

Dated: Date of Delivery **Due: November 1, as shown on inside cover**

The York County Industrial Development Authority (the "Authority") will issue $15,655,000 aggregate principal amount of its York County Industrial Development Authority Revenue Bonds (AICUP Financing Program – York College of Pennsylvania Project) Series 2016 OO3 (the "Bonds"). The Bonds will be issued in denominations of $5,000 or any whole multiple thereof. The Bonds will be registered in the name of Cede & Co. as the registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York.

The principal of and premium, if any, on the Bonds will be payable to the registered owner at the designated corporate trust agency office of The Bank of New York Mellon Trust Company, N.A., Philadelphia, Pennsylvania, as trustee (the "Trustee") for the Bonds, or the designated corporate trust office of any successor Trustee. The Bonds will bear interest at the rates shown on the inside cover hereof. Interest on the Bonds will be payable semiannually on May 1 and November 1, commencing November 1, 2016, in each case by the Trustee to the registered owners by check, or by wire transfer at the request of holders of at least $1,000,000 aggregate principal amount of such Bonds.

The Bonds are payable solely from, and are secured by an assignment and a pledge of, payments and other revenues to be received by the Authority under a Loan Agreement between the Authority and York College of Pennsylvania (the "Borrower"), and from Bond proceeds and other moneys pledged to or held by the Trustee under the Trust Indenture between the Authority and the Trustee pursuant to which the Bonds are issued and secured.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE INDENTURE PURSUANT TO WHICH SUCH BONDS ARE ISSUED AND SECURED, AND THE BONDS SHALL NOT BE OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF THE COUNTY OF YORK, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, AND NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY OF YORK, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SUCH PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

The Bonds are offered when, as and if issued by the Authority, subject to prior sale, withdrawal or modification of the offer without any notice, and to the approving opinion of Ballard Spahr LLP, Philadelphia, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon by Stock and Leader, LLP, York, Pennsylvania, as counsel to the Authority; by Barley Snyder, LLP, York, Pennsylvania, as counsel to the Borrower; and by Campbell & Levine, LLC, Pittsburgh, Pennsylvania, as counsel to the Financial Advisor. George K. Baum & Company, Pittsburgh, Pennsylvania has acted as Financial Advisor to the Borrower in connection with the Bonds. It is expected that the Bonds in definitive form will be delivered to DTC in New York, New York, on or about June 29, 2016.

YORK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(Commonwealth of Pennsylvania)
REVENUE BONDS
(AICUP FINANCING PROGRAM - YORK COLLEGE OF PENNSYLVANIA PROJECT)
SERIES 2016 OO3

MATURITY SCHEDULE

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP‡
2028	$405,000	3.000%	2.500%	104.335%*	98640LBP7
2029	425,000	3.000%	2.650%	103.011%*	98640LBQ5
2030	435,000	3.000%	2.750%	102.140%*	98640LBR3
2031	455,000	3.000%	2.900%	100.848%*	98640LBS1
2032	465,000	3.000%	3.000%	100.000%	98640LBT9
2033	475,000	3.000%	3.070%	99.061%	98640LBU6
2034	4,730,000	3.000%	3.130%	98.193%	98640LBV4
2035	4,875,000	3.000%	3.190%	97.270%	98640LBW2
2036	3,390,000	3.000%	3.230%	96.587%	98640LBX0

† The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Authority, the College or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. None of the Authority, the College or the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

* Priced to the first optional redemption date of May 1, 2026.

No dealer, broker, salesperson or other person has been authorized by the Authority, the Borrower, the Program Sponsor or the Underwriter (hereinafter defined) to give any information or to make any representations with respect to the Bonds other than those 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 an offer to buy, and there shall not be a sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Except for the information concerning the Authority, the information contained herein is not to be construed as a representation by the Authority.

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

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the Borrower, or in any other matter described herein, since the date hereof or the dates of the information contained herein.

The order and placement of materials in this Official Statement, including the Appendices hereto, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices hereto, must be considered in its entirety.

The offering of the Bonds is made only by means of the entire Official Statement. This Official Statement is deemed "final" by the Authority and the Borrower within the meaning of Rule 15c2-12(b) under the Securities Exchange Act of 1934, as amended.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN THE OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

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OFFICIAL STATEMENT SUMMARY

The following is a summary of certain information contained in this Official Statement, to which reference should be made for a complete statement thereof. The Bonds are offered to potential investors only by means of the entire Official Statement, which includes the cover page and reverse thereof, this Summary, and the Appendices hereto. No person is authorized to detach this Summary from the Official Statement or otherwise use it without the entire Official Statement, including the cover page and reverse thereof, this Summary, and the Appendices hereto.

The Authority

York County Industrial Development Authority (the "Authority") is a body corporate and politic organized by the Board of Commissioners of the County of York, Pennsylvania pursuant to the Pennsylvania Economic Development Financing Law, as amended (the "Act"). The Authority is authorized under the Act, among other things, to issue bonds or other obligations to finance "projects" within the meaning of the Act. The Bonds are being issued pursuant to the Act and a resolution adopted by the Authority.

The Program Sponsor

The financing program pursuant to which the Bonds will be issued is sponsored by the Association of Independent Colleges and Universities of Pennsylvania ("AICUP"), a nonprofit corporation located in Harrisburg, Pennsylvania, currently providing services and programs to 89 institutions of higher education in Pennsylvania. See "THE PROGRAM SPONSOR" herein.

The Borrower

York College of Pennsylvania (the "Borrower") is a Pennsylvania nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Borrower is located in the City of York and Spring Garden Township, York County, Pennsylvania. For more information regarding the Borrower, see Appendices A and B hereto. Please see "Accreditations and Approvals" in Appendix A hereto for a summary of a recent event relating to the Borrower's accreditation.

The Trustee

The Bank of New York Mellon Trust Company, N.A., Philadelphia, Pennsylvania has been appointed to serve as the trustee under the Indenture.

The Financial Advisor

George K. Baum & Company, Pittsburgh, Pennsylvania (the "Financial Advisor"), has been engaged by the Borrower to assist the Borrower in the development and implementation of the financial plan leading to the issuance of the Bonds.

The Underwriter

The Bonds were offered for sale by competitive bid on June 22, 2016 in accordance with the Notice of Sale therefor. The successful bidder (the "Underwriter") is purchasing the Bonds for reoffering. See "UNDERWRITING" herein.

The Project

The proceeds of the sale of the Bonds will be used, together with other available funds, to finance the costs of a project (the "Project") for the benefit of the Borrower consisting of (i) the advance refunding of certain bonds previously issued for the benefit of the Borrower and (ii) the payment of certain costs of issuing the Bonds. See "THE PROJECT" herein.

Authorized Denominations; Book-Entry Only

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds, and the Bonds will be registered in the name of Cede & Co., as registered owner and nominee for DTC. Individual purchases of Bonds will be made in book-entry form, in the authorized denomination of $5,000 and any whole multiple thereof. So long as Cede & Co. or any successor nominee of DTC is the registered owner of the Bonds, references herein to the Bondholders, Holders, holders, owners or registered owners shall mean Cede & Co., or such successor nominee, and shall not mean the Beneficial Owners (hereinafter defined) of the Bonds. Principal and interest on the Bonds are payable by the Trustee to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners. (See "THE BONDS -- Book Entry Only System" herein.)

Security for Bonds

The Bonds are limited obligations of the Authority payable solely from pledged revenues and other moneys assigned and pledged under the Indenture to secure such payment, including (i) the loan payments required to be made by the Borrower under the Loan Agreement and (ii) moneys and obligations held by the Trustee in certain funds established under the Indenture. (See "SECURITY AND SOURCES OF PAYMENT FOR BONDS" herein.)

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE INDENTURE PURSUANT TO WHICH THE BONDS ARE ISSUED AND SECURED, AND THE BONDS SHALL NOT BE OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, AND NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE FAITH AND CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SUCH PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

Redemption Provisions

The Bonds are subject to optional redemption as set forth herein. (See "THE BONDS -- Redemption Prior to Maturity" herein.)

OFFICIAL STATEMENT

$15,655,000
YORK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(Commonwealth of Pennsylvania)
REVENUE BONDS
(AICUP FINANCING PROGRAM - YORK COLLEGE OF PENNSYLVANIA PROJECT)
SERIES 2016 OO3

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and reverse thereof, the table of contents page, the Official Statement Summary and the Appendices hereto, is provided to furnish information with respect to the $15,655,000 aggregate principal amount of York County Industrial Development Authority Revenue Bonds (AICUP Financing Program – York College of Pennsylvania Project) Series 2016 OO3 (the "Bonds") being issued by the York County Industrial Development Authority (the "Authority") under a Trust Indenture, dated as of June 1, 2016 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., a national banking association, Philadelphia, Pennsylvania, as trustee (the "Trustee"). The Bonds will be dated the date of their initial delivery, will mature on the date or dates set forth on the inside cover hereof, and will be subject to redemption prior to maturity as described herein under "THE BONDS -- Redemption Prior to Maturity."

The Authority will loan the proceeds of the Bonds to York College of Pennsylvania, a Pennsylvania nonprofit corporation (the "Borrower"), pursuant to a Loan Agreement dated as of June 1, 2016 between the Authority and the Borrower (the "Loan Agreement"). The Borrower is a private institution of higher education located in the Commonwealth of Pennsylvania, which is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Additional information respecting the Borrower, including certain financial statements, is set forth in Appendices A and B to this Official Statement.

The proceeds of the sale of the Bonds will be used, together with other available funds, to finance the costs of a project (the "Project") for the benefit of the Borrower consisting of (i) the advance refunding of certain bonds previously issued for the benefit of the Borrower and (ii) the payment of certain costs of issuing the Bonds. See "THE PROJECT" herein.

The Bonds are limited obligations of the Authority, and the principal thereof and premium, if any, and interest thereon will be payable solely from the revenues and other moneys assigned and pledged under the Indenture to secure such payment, including (i) the loan payments required to be made by the Borrower under the Loan Agreement and (ii) moneys and obligations held by the Trustee in certain funds established under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS" herein.

There follow herein brief descriptions of the Authority, the Program Sponsor, the Bonds and the Project, together with summaries of the Loan Agreement and the Indenture. Certain information regarding the Borrower, including certain financial statements, is set forth in Appendices A and B hereto. The form of the Continuing Disclosure Certificate is set forth in Appendix C, and the form of opinion of Bond Counsel is set forth in Appendix D. The description and summaries of the Loan Agreement, the Indenture and other documents contained herein do not purport to be comprehensive and are qualified in their entirety by reference to such documents, and all references to the Bonds are qualified in their entirety by the definitive form thereof included in the Indenture. Words and terms defined in such documents and not defined herein shall have the meanings set forth in such documents. Copies of such documents will be available for inspection during the initial offering period at the offices of George K. Baum &

Company in its capacity as Financial Advisor to the Borrower, 651 Holiday Drive, Suite 110, Pittsburgh, Pennsylvania 15220, and thereafter, will be available for inspection at the corporate trust office of the Trustee in Philadelphia, Pennsylvania or at the designated corporate trust office of any successor Trustee.

THE AUTHORITY

The Authority is a body corporate and politic created pursuant to a resolution of the Board of Commissioners of the County of York (the "County"), under the Pennsylvania Economic Development Financing Law, Act of August 23, 1967, P.L. 251, as amended (the "Act").

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE TRUST INDENTURE PURSUANT TO WHICH SUCH BONDS ARE ISSUED AND SECURED, AND THE BONDS SHALL NOT BE OR BE DEEMED GENERAL OBLIGATIONS OF THE AUTHORITY OR OBLIGATIONS OF YORK COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER YORK COUNTY, THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, AND NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE FAITH AND CREDIT OR TAXING POWER OF YORK COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SUCH PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

Other than the description of the Authority provided herein and under the subcaption "OFFICIAL STATEMENT SUMMARY – The Authority" and the information with respect to the Authority under "LITIGATION" herein, the Authority has not prepared or reviewed and expresses no opinion with respect to the accuracy or completeness of any of the information set forth in the Official Statement. Except for the execution and delivery of documents required to effect the issuance of the Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the Bonds. Accordingly, except as aforesaid, the Authority disclaims responsibility for the disclosures set forth in this Official Statement or otherwise made in connection with the offer, sale and distribution of the Bonds.

The Authority does not and will not in the future monitor the financial condition of the Borrower, the operations of the Project or otherwise monitor payment of the Bonds or compliance with the documents relating thereto. The responsibility of the operation of the Project will rest entirely with the Borrower and not with the Authority. The Authority will rely entirely upon the Trustee and the Borrower to carry out their respective responsibilities under the Indenture and the Loan Agreement and with respect to the Project.

The Authority is empowered to issue, has issued and expects in the future to issue revenue bonds for other ventures unrelated to the Borrower. Each such series of revenue bonds will be payable from and secured by the revenues and/or assets of such ventures and will not be payable from or secured by amounts held in the funds established under the Indenture, the income and receipts therefrom or amounts paid or payable under the Loan Agreement. The Authority may also from time to time enter into refinancing transactions for obligations previously issued.

Members of the Authority

The governing body of the Authority is a Board consisting of eleven (11) members appointed by the County Commissioners of the County of York. Members of the Board are appointed for staggered terms. The present members of the Board are:

Members	Position
Jack Kay	Chair
Eugene Draganosky	First Vice Chair
Michael Newsome	Second Vice Chair
Patti Stirk	Secretary
Alvin Hayes	Treasurer
John Krout	Member
Oliver Hoar	Member
David Brinton	Member
Andrew Richardson	Member
Douglas Becker	Member
Mandy Arnold	Member

Non-Members	Position
Kenetha Hansen	Assistant Secretary
Nancy Barry	Assistant Secretary
Ronald Hershner	Solicitor

THE PROGRAM SPONSOR

The Association of Independent Colleges and Universities of Pennsylvania ("AICUP" or the "Program Sponsor") is a nonprofit corporation located in Harrisburg, Pennsylvania. The Program Sponsor sponsors and administers services and programs for its membership, which currently is comprised of 89 institutions of higher education in the Commonwealth. The current members of AICUP are listed on the inside back cover of this Official Statement.

The Program Sponsor is sponsoring this bond financing program (the "Program"), pursuant to which the Bonds and other series of bonds are being issued, in order to provide both an efficient and cost effective source of funding for projects of its members or their supporting organizations. In connection with the Program, the Program Sponsor, among other things, will monitor the participation of individual members in the Program. The Program Sponsor will be paid a fee from bond proceeds in connection with the Program activities. Neither the Program Sponsor nor any member of AICUP (other than any AICUP member in its individual capacity as a borrower of proceeds of a particular series of bonds) has any liability for the repayment of any series of bonds, or the loan of bond proceeds to any entity, including the Borrower.

THE BONDS

General

The Bonds will be dated, and will bear interest from, the date of their initial delivery. The Bonds will mature, unless previously called for redemption, on the dates and in the amounts set forth on the inside cover hereof, and will bear interest at the rates set forth on the inside cover hereof. Interest will be payable on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing November 1, 2016. The Bonds will be issued as fully registered Bonds without coupons and will be in the denomination of $5,000 or any whole multiple thereof.

The principal or redemption price of the Bonds will be payable upon presentation and surrender of the Bonds at the designated corporate trust agency office of the initial Trustee or any successor Trustee and interest on the Bonds will be paid on the applicable Interest Payment Date by check mailed to the owners of Bonds shown as the registered owners on the registration books maintained by the Trustee as registrar at the close of business on the fifteenth (15^{th}) day of the calendar month next preceding such Interest Payment Date. The interest and the principal or redemption price becoming due on the Bonds shall, at the written request of the registered owner of at least $1,000,000 aggregate principal amount of the Bonds received by the Trustee at least two Business Days before the corresponding Regular Record Date or maturity or redemption date, be paid by wire transfer within the continental United States in immediately available funds to the bank account number of the registered owner specified in such request and entered by the Trustee on the register, but, in the case of principal or redemption price, only upon presentation and surrender of the Bonds at a designated corporate trust office of the Trustee. (See "THE BONDS -- Book Entry Only System" below.)

The Bank of New York Mellon Trust Company, N.A. has been appointed as Trustee under the Indenture and has a corporate trust office in Philadelphia, Pennsylvania. The Trustee shall act as registrar, paying agent and transfer agent for the Bonds.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banks located in Philadelphia, Pennsylvania, New York, New York, or any other city in which the Payment Office of the Trustee is located, are authorized or required by law or executive order to close or a day on which DTC is closed.

Book Entry Only System

The information in this section has been provided by The Depository Trust Company, New York, New York ("DTC") and is not deemed to be a representation of the Authority, the Underwriter or the Borrower. DTC will act as the initial securities depository for the Bonds. The Bonds will be issued as fully-registered bonds 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 Bonds in the aggregate principal amount of such maturity, and all certificates will be deposited with DTC or pursuant to its instructions.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 purchases. 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 Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in 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 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by 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 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 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. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent by the Trustee to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds 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 or the Trustee as soon as possible after the record date with respect to any request for consent or vote. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose account the respective Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, redemption price and interest on the 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 Trustee, on each 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 Participants and not of DTC, the Trustee, the Authority or the Borrower, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest to Cede & Co. (or to 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 is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The Authority may determine to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered as described in the Indenture.

For every transfer and exchange of ownership interests in Bonds, the Beneficial Owners may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

IT IS THE DUTY OF EACH BENEFICIAL OWNER TO MAKE ARRANGEMENTS WITH THE APPLICABLE DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO RECEIVE FROM SUCH PARTICIPANT NOTICES OF PAYMENTS OF PRINCIPAL, PREMIUM (IF ANY) AND INTEREST, AND ALL OTHER PAYMENTS AND COMMUNICATIONS WHICH THE DIRECT PARTICIPANT RECEIVES FROM

DTC. NEITHER THE AUTHORITY NOR THE TRUSTEE HAS ANY DIRECT OBLIGATION OR RESPONSIBILITY TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

THE AUTHORITY, THE TRUSTEE AND THE BORROWER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE BONDS, (2) CONFIRMATION OF BENEFICIAL OWNERSHIP INTEREST IN THE BONDS, OR (3) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE AUTHORITY, THE TRUSTEE, NOR THE BORROWER SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A BONDHOLDER WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER OF THE BONDS.

So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the Holders, holders, owners or registered owners of such Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

Redemption Prior to Maturity

The Bonds will be subject to redemption prior to maturity as follows:

Optional Redemption of Bonds. The Bonds maturing after November 1, 2026, are subject to optional redemption prior to maturity by the Authority, at the direction of the Borrower, on or after May 1, 2026, in whole or in part at any time. Any such redemption shall be made at a redemption price equal to 100% of the stated principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

Procedure for and Notice of Redemption

The Trustee is required to cause notice of the call for redemption, identifying the Bonds or portions thereof to be redeemed, to be sent by first class mail, not more than 60 days and not less than 30 days prior to the date set for redemption of all or part of such Bonds, to the registered owner of each Bond to be redeemed at such owner's registered address. So long as the Bonds or any portion thereof are held by DTC, the Trustee shall send each notice of redemption of such Bonds to DTC. 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 is properly given.

If at the time of mailing of notice of any optional redemption there shall not have been deposited with the Trustee 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 with the Trustee not later than the opening of business on the redemption date, in which case such notice shall be of no effect unless moneys are so deposited.

If less than all Bonds are to be redeemed, the particular Bonds to be called for redemption shall be selected from the maturities designated by the Borrower and within a maturity by any method determined by the Trustee to be fair and reasonable; provided that if any Bond is to be redeemed in part, the principal portion to remain outstanding must be in an authorized denomination. In the case of a partial redemption of Bonds, when Bonds of denominations greater than $5,000 are then Outstanding, each $5,000 unit of face value of principal thereof shall be treated as if it were a separate Bond of the denomination of $5,000.

THE PROJECT

The proceeds from the sale of the Bonds, together with other available funds, will be used to finance a project for the benefit of the Borrower consisting of (a) the advance refunding of the General Authority of Southcentral Pennsylvania Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program – York College of Pennsylvania Project), Series 2007 GG2 (the "Refunded Bonds") and (b) payment of the costs of issuing the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the Bonds:

Sources of Funds

Par Amount of Bonds	$15,655,000.00
Net Original Issue Premium (Discount)	(295,198.65)
Transfers from Debt Service Fund and Debt Service Reserve Fund for Refunded Bonds	1,610,381.24
TOTAL SOURCES OF FUNDS	$16,970,182.59

Uses of Funds

Refunding of Refunded Bonds	$16,659,130.65
Costs of Issuance[1]	306,771.29
Miscellaneous	4,280.65
TOTAL USES OF FUNDS	$16,970,182.59

[1] Includes amounts to be paid for Authority related fees, Trustee fees, rating agency fees, financial advisory fees, various legal counsel fees, printing costs, electronic bidding related fees, Program Sponsor fee, and other fees and expenses, including the Underwriter's discount.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds will constitute limited obligations of the Authority payable solely from, and secured by, the revenues and other moneys pledged and assigned by the Indenture to secure that payment. Those revenues and other moneys include the payments required to be made by the Borrower under the Loan Agreement (other than certain fees and indemnification payments required to be made to the Authority); all other moneys receivable by the Authority, or by the Trustee for the account of the Authority, in respect of repayment of the loan of the proceeds of the Bonds; and certain monies and securities in the funds and accounts held by the Trustee under the Indenture (collectively, the "Revenues").

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE TRUST INDENTURE PURSUANT TO WHICH SUCH BONDS ARE ISSUED AND SECURED, AND THE BONDS SHALL NOT BE OR BE DEEMED GENERAL OBLIGATIONS OF THE AUTHORITY OR OBLIGATIONS OF YORK COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER YORK COUNTY, THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION

THEREOF IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS, AND NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE FAITH AND CREDIT NOR THE TAXING POWER OF YORK COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SUCH PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

The Indenture

The Bonds will be issued under and secured by the Indenture. The Indenture provides that all Bonds issued thereunder will be limited obligations of the Authority, payable solely from the sources identified therein, which include: (i) payments required to be made by the Borrower under the Loan Agreement (other than certain fees and indemnification payments required to be paid to the Authority or to the Trustee), and (ii) certain moneys and securities held by the Trustee under the Indenture and investment earnings thereon (but excluding the Rebate Fund). See "THE INDENTURE" below for a summary of certain provisions of the Indenture.

The Loan Agreement

Under the Loan Agreement, the Borrower will be obligated to make loan payments in amounts necessary to provide for the payment as and when due of the principal or redemption price of, and interest on, the Bonds, any amounts that may be required to make up any deficiency that may occur in any funds and accounts established under the Indenture, and to provide for certain other payments required by the Indenture. The Authority will assign the Loan Agreement, including its right to receive loan payments thereunder (other than certain fees, expenses and indemnification payments required to be paid to the Authority or to the Trustee) to the Trustee as security for the Bonds.

The Loan Agreement is the general obligation of the Borrower and the full faith and credit of the Borrower is pledged to secure the payments required thereunder. The Borrower's obligations under the Loan Agreement are secured by a pledge of the Pledged Revenues of the Borrower (as further described under "Pledged Revenues" below). For a summary of certain provisions of the Loan Agreement, see "THE LOAN AGREEMENT" herein.

Pledged Revenues

To secure its obligations under the Loan Agreement, the Borrower will grant to the Trustee (as the assignee of the Authority) a lien on and security interest in its Pledged Revenues (the "Parity Lien"), on a parity with any lien on and security interest in the Pledged Revenues heretofore or hereafter granted by the Borrower to secure the Borrower's obligations respecting any Parity Indebtedness incurred by or for the benefit of the Borrower (see "Prior Bonds" below). The term "Pledged Revenues" is defined under the caption "DEFINITIONS OF CERTAIN TERMS" herein. The existence of such lien and security interest in the Pledged Revenues of the Borrower will not prevent the Borrower from expending, depositing or commingling such funds so long as the Borrower is not in default under the Loan Agreement and any agreements pertaining to any applicable Parity Indebtedness.

To the extent that a security interest can be perfected in the Pledged Revenues of the Borrower by filing of financing statements, such action will be taken. The security interest in the Pledged Revenues of the Borrower may not be enforceable against third parties unless such Pledged Revenues of the Borrower are actually transferred to the Trustee or are subject to exceptions under the Uniform Commercial Code (the "UCC") as enacted in the Commonwealth of Pennsylvania. Under current law, such security interest may be further limited by the following: (1) statutory liens; (2) rights arising in favor of the United States of America or any agency thereof; (3) present or future prohibitions against assignment contained in any Commonwealth of Pennsylvania or Federal statutes or regulations; (4) constructive trusts, equitable liens or other rights impressed or conferred by any Commonwealth of Pennsylvania or Federal court in the exercise of its equitable jurisdiction; (5) Federal bankruptcy laws; and (6) the filing of appropriate continuation statements pursuant to UCC provisions as from time to time in effect.

Prior Bonds

The following revenue bonds heretofore issued for the benefit of the Borrower (the "Prior Bonds") will remain outstanding after the issuance of the Bonds: (i) $19,090,000 outstanding principal amount of General Authority of Southcentral Pennsylvania Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program – York College of Pennsylvania Project), Series 2011 II; (ii) $25,105,000 outstanding principal amount of Pennsylvania Higher Educational Facilities Authority Multi-Mode Revenue Bonds (AICUP Financing Program - York College of Pennsylvania Project) Series 2014 T1, T2 and T3; and (iii) $24,125,000 outstanding principal amount of General Authority of Southcentral Pennsylvania Revenue Bonds (AICUP Financing Program – York College of Pennsylvania Project) Series 2015 NN2. The agreements entered into by the Borrower to secure its obligations respecting the Prior Bonds, and all supplements and amendments thereto, are collectively referred to herein as the "Prior Debt Documents."

The Prior Debt Documents contain various covenants and agreements, solely for the benefit of the holders of the Prior Bonds, which will be in effect so long as any of the Prior Bonds remain outstanding. A default by the Borrower in its obligations under the Prior Debt Documents could result in a default under the Indenture that secures the Bonds. Prior to the closing for the issuance of the Bonds, copies of the Prior Debt Documents may be obtained upon request to the Financial Advisor.

The Prior Bonds are secured by a lien on and security interest in the Pledged Revenues of the Borrower on a parity with the lien on and security interest in such Pledged Revenues that will be granted by the Borrower to secure its obligations under the Loan Agreement.

Rate Covenant

Under the Loan Agreement, the Borrower covenants that it will establish, charge and collect tuition, student fees and charges for services provided by the Borrower such that Net Revenues Available for Debt Service (defined under "THE LOAN AGREEMENT" below) will equal or exceed, in each fiscal year, 110% of the Debt Service Requirement for such fiscal year. See "THE LOAN AGREEMENT – Rate Covenant" below.

Liens on Pledged Revenues and Other Properties

Except as described above under "Pledged Revenues," the Borrower has not given or granted a mortgage lien or other security interest or encumbrance upon any property of the Borrower to secure its payment obligations under the Loan Agreement. The Borrower covenants and agrees that it shall not grant any liens on its Pledged Revenues or any of its other property (whether real or personal, and whether owned as of the date of issuance of the Bonds or acquired thereafter) except for Permitted Encumbrances (defined below).

Additional Indebtedness

The Borrower may incur, guaranty or assume additional indebtedness upon compliance with specified requirements and limitations contained in the Loan Agreement and the Parity Debt Documents. To the extent permitted under the Loan Agreement and the Parity Debt Documents, such additional indebtedness may be secured by liens on and security interests in property of the Borrower, including a lien on and security interest in the Pledged Revenues on a parity with the lien on and security interest in the Pledged Revenues granted to secure the Bonds and any Parity Indebtedness of the Borrower. See "THE LOAN AGREEMENT – "Incurrence of Additional Indebtedness" and "Security for Indebtedness"" herein for a description of the requirements and limitations relating to the incurrence of and security for additional indebtedness which may be incurred by the Borrower.

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used in the summaries of the Loan Agreement and Indenture set forth below. All capitalized terms used herein and not otherwise defined in this Official Statement, shall have the same meanings as set forth in the Indenture or Loan Agreement.

"**Audited Financial Statements**" means financial statements prepared in accordance with GAAP which have been audited and reported on by an independent certified public accountant.

"**Balloon Debt**" means debt 25% or more of the principal amount of which comes or may come due in any one Fiscal Year by maturity, mandatory sinking fund redemption or optional or mandatory tender by the holder thereof.

"**Bond Counsel**" means an attorney-at-law or a firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on bonds 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 Documents**" means the Loan Agreement, the Indenture, the Bonds and all other documents executed by the Borrower or the Authority in connection therewith, including but not limited to any Continuing Disclosure Certificate entered into by the Borrower.

"**Bondholder**" or **"Holder"** or **"Registered Owner"** or **"Owner"** of Bonds means the registered owner of any Bond.

"**Borrower Facilities**" shall mean the buildings, structures, real estate and any appurtenant facilities, equipment and fixtures currently owned or hereafter acquired by the Borrower, used by the Borrower in connection with its functioning as an institution of higher learning.

"**Borrower Representative**" means the President, any Vice President or the Chief Financial Officer of the Borrower, or each person at the time designated to act on behalf of the Borrower by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by its Secretary or Assistant Secretary or other such authorized officer.

"**Certificate**" means a certificate or report, in form and substance reasonably satisfactory to the Authority and the Trustee, executed: (a) in the case of an Authority Certificate, by an Authority Representative; (b) in the case of a Borrower Certificate, by a Borrower Representative; and (c) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer, partner or other authorized representative of such Person; provided that in no event shall any individual be permitted to execute any Certificate in more than one capacity.

"**Consultant**" shall mean a Person, who shall be Independent, appointed by the Borrower or the Authority, as the case may be, generally recognized as qualified to pass upon the matters under consideration and having a favorable reputation for skill and experience in such matters.

"**Debt Service Requirement,**" with reference to a specified period, shall mean:

a. interest payable on Long-Term Indebtedness during the period, excluding (i) interest funded from the proceeds thereof and (ii) interest on Long-Term Indebtedness 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 Long-Term Indebtedness during the period;

c. amounts required to pay the principal of Long-Term Indebtedness maturing during the period and not to be redeemed prior to maturity through any mandatory sinking fund account; and

d. in the case of Long-Term Indebtedness in the form of a lease capitalized under GAAP, the lease rentals payable during the period;

provided, however, that (i) in the case of Variable Rate Debt, interest shall be calculated, in any projection of Debt Service Requirement for a future period, (A) if the debt has been outstanding for at least 24 months, at 120% of the average interest rate on such debt during the most recent 24-month period, (B) if such debt has been outstanding for at least 12 months but less than 24 months, at the higher of 100% of the average interest rate on such debt for the most recent 12-month period or the rate in effect on the date of calculation, and (C) if such debt has been outstanding for less than 12 months, at a rate equal to 100% of (1) the average Bond Market Association Swap Index for the preceding 24 months, if such debt is tax-exempt debt, and (2) the average rate for one-month LIBOR for the preceding 24 months, if such debt is taxable debt, (ii) in the case of Balloon Debt, such debt shall be assumed to amortize on a level debt service basis over a period of 20 years or the actual remaining term to maturity, whichever is less, unless a binding commitment to refinance such debt upon maturity has been provided by a financial institution rated at least "A2" from Moody's or "A" from S&P, in which case such debt will be assumed to mature in accordance with the terms of such binding commitment, (iii) interest payable shall be reduced by the amount of any interest subsidy which a Federal, state or local government is irrevocably committed to pay for the period in question, and (iv) the Debt Service Requirement on any Long Term Indebtedness in the form of a guaranty of the indebtedness of others shall be deemed equal to (A) 25% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service at least equal to 150% of the annual debt service on its long-term debt in its latest fiscal year, (B) 50% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service at least equal to 125% but less than 150% of the annual debt service on its long-term debt in its latest fiscal year, (C) 75% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service at least equal to 110% but less than 125% of the annual debt service on its long-term debt in its latest fiscal year, and (D) 100% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service below 110% of the annual debt service on its long-term debt in its latest fiscal year or if the Borrower has made a payment on the guaranteed entity's debt during any of the last three Fiscal Years.

"**GAAP**" means generally accepted accounting principles as defined more specifically in the Loan Agreement.

"**Government Obligations**" means (i) U.S. Treasury certificates, notes and bonds (including State and Local Government Series (SLGS)), (ii) direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury, and (iii) obligations issued by the following agencies which are backed by the full faith and credit of the United States of America: U.S. Export-Import Bank (direct obligations or fully guaranteed certificates of beneficial ownership), Farmers Home Administration, Federal Financing Bank, General Services Administration (participation certificates), U.S. Maritime Administration (guaranteed Title XI financing), and U.S. Department of Housing and Urban Development (project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds).

"**Intercreditor Agreement**" means the Intercreditor Agreement (Amended and Restated) and Security Agreement, dated as of June 1, 2015, among the Trustee, the Borrower and the bond trustees for the respective series of Prior Bonds, as amended and supplemented by Supplement No. 1 dated as of June 1, 2016 and as further amended and supplemented from time to time, or any other intercreditor agreement entered into with respect to the Bonds and any Parity Indebtedness.

"**Loan Payments**" means the amounts required to be paid by the Borrower in repayment of the loan of Bond proceeds pursuant to the Loan Agreement.

"**Long-Term Indebtedness**" shall mean all obligations for the payment of money (including, without limitation, all Bonds), incurred, assumed or guaranteed by the Borrower, whether due and payable in all events, or upon the performance of work, the possession of property as lessee or the rendering of services by others, except:

a. Short-Term Indebtedness;

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

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

d. rentals payable in future years under leases not required to be capitalized under GAAP;

e. Non-Recourse Indebtedness (as described under the heading "THE LOAN AGREEMENT – Incurrence of Additional Indebtedness") or any other obligation secured solely by and paid solely from sources other than Pledged Revenues; and

f. Student Loan Guarantees complying with the requirements described under the heading "THE LOAN AGREEMENT – Student Loan Guarantees," except to the extent includable as Long-Term Indebtedness under the provisions thereof.

"**Maximum Annual Debt Service Requirement**" shall mean, with respect to any Long-Term Indebtedness, the maximum Debt Service Requirement for any one Fiscal Year during the remaining life of such Long-Term Indebtedness.

"**Moody's**" means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by the Borrower.

"**Net Revenues Available for Debt Service**" shall mean, for any period, the sum of (i) unrestricted revenues (operating and nonoperating) less unrestricted expenses (operating and nonoperating), exclusive of unrealized and realized gains and losses on long-term investments, (ii) all interest expense of the Borrower for such period with respect to Long-Term Indebtedness, and (iii) all depreciation expense for such period; provided that no determination of Net Revenues Available for Debt Service shall take into account any disposition of capital assets not in the ordinary course of business to the extent otherwise included in the foregoing calculations of revenue and expenses, any other gains or losses resulting from changes in accounting principles not involving the receipt or expenditure of cash, or any other non-operating, non-cash expenses.

"**Outstanding**" in connection with the Bonds, means, as of the time in question, all Bonds authenticated and delivered under the Indenture, except: (i) bonds cancelled upon surrender, exchange or transfer, or cancelled because of payment or redemption at or prior to that time; (ii) bonds paid pursuant to the Indenture; (iii) bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture; and (iv) bonds in substitution for which other Bonds have been authenticated under the Indenture. In determining whether the owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof, Bonds which are held by or on behalf of the Borrower shall be disregarded for the purpose of any such determination unless 100% of the Bonds are so held, in which case all of the Bonds shall be deemed outstanding.

"**Parity Indebtedness**" means the existing indebtedness as of the date of issuance of the Bonds that is described under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Prior Bonds" and subject to the Intercreditor Agreement, and any additional indebtedness secured on a parity with the Bonds in accordance with the Loan Agreement.

"**Permitted Encumbrances**" shall mean, with respect to the Pledged Revenues and the Borrower Facilities as of any particular time, (i) liens arising by reason of good faith deposits by the Borrower in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Borrower to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; (ii) liens arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose as required by law or regulation (A) as a condition to the transaction of any business or the exercise of any privilege or license, or (B) to enable the Borrower 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; (iii) any judgment lien against the Borrower, so long as the finality of such judgment is being contested and execution thereon is stayed and (A) 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 (B) adequate insurance coverage is available to satisfy such judgment; (iv) such defects, irregularities, encumbrances, utility easements, access and other easements and rights of way, restrictions, exceptions and clouds on title which do not have a material and adverse effect on the interests of the holders of Bonds and do not materially interfere with or impair the operations of the Borrower; (v) 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; (vi) such minor defects and irregularities of title as normally exist with respect to facilities similar in character to the Borrower Facilities and which do not have a material and adverse effect on the value of, or materially impair, the Borrower Facilities affected thereby for the purpose for which they were acquired or are held by the Borrower; (vii) zoning laws and similar restrictions which are not violated by the Borrower Facilities affected thereby; (viii) all right, title and interest of the Commonwealth, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way; (ix) liens on property received by the Borrower through gifts, grants or bequests, such liens being due to restrictions on such gifts, grants or bequests or property or income thereon; (x) liens for taxes, special assessments, or other governmental charges not then delinquent or being contested in good faith; (xi) liens and encumbrances permitted as described herein under the heading "THE LOAN AGREEMENT – Security for Indebtedness;" (xii) liens on goods and equipment as normally exist with respect to facilities similar in character to the Borrower Facilities; and (xiii) liens and encumbrances securing indebtedness existing on the date of issuance of the Bonds and identified on an Exhibit attached to the Loan Agreement.

"**Permitted Investments**" means any of the following investments, if and to the extent the same are at the time legal for investment of the funds held under the Indenture:

(i) Government Obligations.

(ii) obligations issued or guaranteed by any of the following agencies (stripped securities are only permitted if they have been stripped by the agency itself): Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (participation certificates or senior debt obligations), Federal National Mortgage Association (mortgage-backed securities and senior debt obligations), Student Loan Marketing Association (senior debt obligations), Resolution Funding Corp., and Farm Credit System (consolidated system-wide bonds and notes).

(iii) Certificates of deposit issued by commercial banks, savings and loan associations or mutual savings banks which certificates of deposit are secured at all times by collateral consisting of Government Obligations, including those of the Trustee or any of its affiliates. Such collateral must be held by a third party and the Trustee must have a perfected first security interest in the collateral.

(iv) Certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Borrower, savings accounts, bank deposit products, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation.

(v) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "P-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

(vi) Obligations of a state, a territory, or a possession of the United States, or any political subdivision of any of the foregoing or of the District of Columbia as described in Section 103(a) of the Code if such obligations are rated by Moody's and S&P in one of the two highest rating categories assigned by such rating agencies.

(vii) Commercial paper rated, at the time of purchase, not less than P-1 by Moody's and A-1 by S&P.

(viii) Any money market mutual fund registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating at the time of investment by S&P of AAAm-G, AAA-m, or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2, or analogous ratings if such ratings are no longer being used by S&P or Moody's, 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 (1) the Trustee or an affiliate of the Trustee receives and retains fees from such funds for services rendered to such funds, (2) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates.

(ix) Investment agreements with, or which are guaranteed by, a financial institution which has an unsecured, uninsured and unguaranteed obligation rated, at the time such agreement is entered into, in one of the two highest rating categories by Moody's or Standard & Poor's, or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, including any affiliate of the Trustee provided (i) interest is paid at least semi-annually at a fixed rate during the entire term of the agreement, consistent with the Interest Payment Dates, (ii) moneys invested thereunder may be withdrawn for any purpose required under the Indenture without any penalty, premium or charge upon not more than seven days' notice (provided such notice may be amended or cancelled at any time prior to the withdrawal date), (iii) the agreement is not subordinated to any other obligations of such financial institution or bank, (iv) the same guaranteed interest rate will be paid on any future deposits permitted to be made under such investment agreement, and (v) the Trustee receives an opinion of counsel that such agreement is an enforceable obligation of such financial institution.

"**Person**" means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated organization, a governmental unit or agency, a political subdivision or instrumentality thereof, or any other group or organization of individuals.

"**Pledged Revenues**" shall mean all receipts, revenues, income and other moneys received by or on behalf of the Borrower from the operation, ownership or leasing of all Borrower Facilities, all gifts, grants, bequests, donations and contributions received by the Borrower, and all rights to receive the same whether in the form of accounts, accounts receivable, contract rights, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, including any insurance proceeds and any condemnation awards derived therefrom, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Borrower in connection with the Borrower Facilities; provided, however, that there shall be excluded from Pledged Revenues: gifts, grants, bequests, donations and contributions heretofore or hereafter made, the application of the proceeds of which is designated or restricted at the time of making thereof by the donor, payor or maker as being for certain specified purposes inconsistent with the application thereof to the payment of Loan Payments under the Loan Agreement or not subject to pledge, or subsequent to the receipt thereof, so designated or restricted by the Borrower in order to meet the requirements of any challenge grant received by the Borrower, and the income derived therefrom to the extent that it is permanently restricted in or by such designation or restriction or by law.

"**Prior Bonds"** means the revenue bonds so defined under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Prior Bonds."

"**Project Facilities**" means the facilities financed or refinanced with proceeds of the Bonds.

"**Property**" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible or intangible and wherever situated.

"**Rating Service**" means Moody's, if the Bonds are rated by such at the time, and Standard & Poor's, if the Bonds are rated by such at the time, and their successors and assigns, or if either 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 by the Authority and satisfactory to the Trustee.

"**Refunding Indebtedness**" means indebtedness issued for the purpose of refunding other Long-Term Indebtedness.

"**Short-Term Indebtedness**" shall mean all obligations of the Borrower for the repayment of borrowed money having a final maturity of less than one year from the date incurred, excluding the current portion of any Long-Term Indebtedness.

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

"**Student Loan Guarantees**" shall mean any guarantees by the Borrower of the primary obligations of students enrolled at the Borrower to repay loans made to them, or any guarantee by the Borrower of obligations incurred by other parties to finance loans to or for the benefit of such students.

"**Total Operating Revenues**" means the aggregate of all unrestricted operating revenues of the Borrower less applicable deductions from unrestricted operating revenues (but before deduction of operating expenses) as determined in accordance with GAAP.

"**Trust Estate**" means the Loan Agreement, the Loan Payments, the Funds and Accounts created under the Indenture, Revenues (as defined in the Indenture, and which include certain investment income), and the other right, title and interest assigned, transferred and pledged or intended so to be to the Trustee under the Indenture.

"**Variable Rate Debt**" shall mean indebtedness which bears interest at a variable, adjustable, or floating rate.

THE LOAN AGREEMENT

The following description of certain provisions of the Loan Agreement is only a brief outline of some of the provisions thereof and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Loan Agreement, a copy of which is on file at the corporate trust office of the Trustee in Philadelphia, Pennsylvania, for a complete statement of these provisions and other provisions which are not summarized in this Official Statement.

General

The Loan Agreement provides for the financing by the Authority of the Project and a loan of the proceeds of the Bonds from the Authority to the Borrower. Under the Loan Agreement, the Authority, at the request of the Borrower, will obtain funds necessary to finance the Project through the issuance and sale of the Bonds and concurrently therewith, a portion of the proceeds shall be transferred to the trustee for the Refunded Bonds and applied to the costs of refunding the Refunded Bonds. The Borrower agrees to repay the loan in installments corresponding to the principal or redemption price of and interest on the Bonds.

Loan Payments

To provide funds to pay the principal or redemption price of and interest on the Bonds when due, the Borrower will make loan payments to the Trustee corresponding, as to amounts, to the principal or redemption price of and interest on the Bonds, such payments to be made at least ten days before the corresponding dates for payments on the Bonds. The Borrower will also pay the administrative fees and expenses of the Authority and the Trustee as provided in the Loan Agreement. The Borrower shall also be entitled to credits against the loan payments as and to the extent provided in the Indenture.

Pledge of Revenues

As security for the Borrower's obligation to make payments required under the Loan Agreement and to make all other payments due and perform all other obligations under the Loan Agreement, the Borrower pledges, assigns and grants to the Trustee, as assignee of the Authority, a lien on and a security interest in its Pledged Revenues, on a parity with the liens and security interests previously granted to secure Parity Indebtedness. (See "SECURITY AND

SOURCES OF PAYMENT FOR THE BONDS – Prior Bonds.") The existence of such pledge and security interest will not prevent the expenditure, deposit or commingling of the Pledged Revenues by the Borrower so long as all required payments under the Loan Agreement are made when due. Subject to the terms of the Intercreditor Agreement, if any required payment is not made when due or an Event of Default shall have occurred under the Loan Agreement, any Pledged Revenues subject to such security interest which are then on hand and not yet commingled with other funds of the Borrower, and any such Pledged Revenues thereafter received, shall not be commingled or deposited but shall immediately be paid over to the Trustee.

Maintenance of Existence

The Borrower 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, subject to certain provisions of the Loan Agreement relating to the tax-exempt status of the Borrower and the Bonds, the preceding restrictions shall not apply to a transaction to which the Authority consents in writing if the transferee or the surviving or resulting entity, if other than the Borrower, by written instrument satisfactory to the Authority and the Trustee, irrevocably and unconditionally assumes and agrees to perform and observe the agreements and obligations of the Borrower under the Loan Agreement and the provisions of the Loan Agreement described below under the heading "Assignment" are satisfied.

The Borrower 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 of Pennsylvania.

Compliance with Laws; Commencement and Continuation of Operations at Project Facilities; No Sale, Removal or Demolition of Project Facilities

The Borrower will acquire, construct, install, operate and maintain the Project Facilities in such manner as to comply with the Act and all applicable requirements of federal, state and local laws and the regulations, rules and orders of any federal, state or local agency, board, commission or court having jurisdiction over the Project Facilities or the operation thereof, including without limitation applicable zoning, planning, building and environmental laws, regulations, rules and orders; provided that the Borrower shall be deemed in compliance with this covenant so long as it is contesting in good faith any such requirement by appropriate legal proceedings. The Borrower will not sell, assign or otherwise dispose of (whether in one transaction or in a series of transactions) its interest in the Project Facilities or any material portion thereof (other than as described above under the heading "Maintenance of Existence" and other than leases permitted as described below under the heading "Lease by Borrower") or undertake or permit the demolition or removal of the Project Facilities or any material portion thereof without the prior written consent of the Authority; provided that the Borrower shall be permitted to sell, transfer, assign or otherwise dispose of or remove any portion of the Project Facilities which is retired or replaced in the ordinary course of business.

Lease by Borrower

The Borrower may, subject to certain provisions of the Loan Agreement, including provisions relating to the tax-exempt status of the Borrower and the Bonds, lease the Project Facilities, in whole or in part, to one or more other Persons, provided that: (a) no such lease shall relieve the Borrower from its obligations under the Loan Agreement; (b) in connection with any such lease the Borrower shall retain such rights and interests as will permit it to comply with its obligations under the Loan Agreement; (c) no such lease shall impair materially the accomplishment of the purposes of the Act to be accomplished by operation of the Project Facilities as herein provided; (d) any such lease shall require the lessee to operate the Project Facilities as a "project" under the Act as long as the Bonds are outstanding; (e) in the case of a lease to a new lessee or an assignment of an existing lease to a new lessee of substantially all of the Project Facilities, such new lessee shall have been approved by the Authority (such approval not to be unreasonably withheld); and (f) the lessees under any such leases, including any leases in force on the date of issuance of the Bonds, shall be subject to certain terms and conditions of the Loan Agreement relating to the tax-exempt status of the Borrower and the Bonds.

Financial Statements

The Borrower shall cause its Annual Financial Statements for each Fiscal Year to be audited by an Independent Certified Public Accountant. A copy of such financial statements and the Independent Certified Public Accountant's report thereon shall be provided to the Authority and the Trustee within 60 days after release of such audited financial statements by the Borrower's Board of Trustees. The Trustee shall have no duty to examine or review such financial statements, shall not be considered to have notice of the contents of such statements or of a default or Event of Default under the Loan Agreement or under any other document based on such content and shall have no duty to verify the accuracy of such statements.

Taxes, Other Governmental Charges and Utility Charges

The Borrower 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 the Project Facilities, including any equipment or related property installed or bought by the Borrower therein or thereon, and all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project Facilities. With respect to special assessments or other governmental charges that lawfully may be paid in installments over a period of years, the Borrower shall be obligated to pay only such installments as are required to be paid during the term of the Loan Agreement. The Borrower 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 Authority or the Trustee shall notify the Borrower that, in the opinion of counsel selected by the Authority or the Trustee, by nonpayment of any such items the Project Facilities or any part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly. The Borrower shall also comply at its own cost and expense with all notices received from public authorities with respect to the Project.

Insurance

The Borrower covenants and agrees that it will continuously maintain insurance on its properties and against such risks (including casualty, accident and worker's compensation) including coverage from a captive insurance company or a consortium, in such amounts and with such deductibles, as are consistent with customary coverage, as from time to time in effect, in connection with the operation of properties of type and size comparable to properties as maintained by entities similar to the Borrower; provided, that property and casualty coverage shall at all times be maintained in an amount at least equal to the outstanding principal amount of the Bonds.

The Borrower may self-insure solely for professional liability, employee health insurance, workers compensation insurance, unemployment insurance, commercial general liability insurance, automobile insurance, student health and accident insurance, directors and officers insurance, travel insurance, broadcasters liability insurance, publishers liability insurance, and excess liability insurance, so long as the Borrower's self-insurance plan provides (except in the case of unemployment insurance) for (i) the establishment by the Borrower of a separate segregated self-insurance fund funded in an amount confirmed as to sufficiency through the annual auditing process by an independent auditor or an insurance consultant or nationally recognized independent actuarial consultant employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program. If the Borrower elects to self-insure for professional liability, the Borrower shall within 150 days after the end of each Fiscal Year cause an independent insurance consultant or nationally recognized independent actuarial consultant to submit a report to the Trustee to the effect that such self-insurance plan maintains adequate reserves and has been adequately funded. For purposes of this provision, "independent insurance consultant" means a firm of insurance agents, brokers or consultants with experience and expertise in assessing the property and casualty and liability risks of the Borrower.

Damage to or Condemnation of Project Facilities

In the event of damage, destruction or condemnation of part or all of the Project Facilities, the Borrower will either (i) restore the Project Facilities or (ii) if permitted by the terms of the Bonds, direct the Authority to call the Bonds for optional redemption pursuant to the Indenture. Damage to, destruction of or condemnation of all or a portion of the Project Facilities shall not terminate the Loan Agreement or cause any abatement of or reduction in the payments to be made by the Borrower under the Loan Agreement.

Rate Covenant

The Borrower covenants that it will establish, charge and collect tuition, student fees and charges for services provided by the Borrower such that Net Revenues Available for Debt Service will equal or exceed, in each Fiscal Year, 110% of the Debt Service Requirement for such Fiscal Year.

If, in any Fiscal Year, the Borrower fails to meet the foregoing covenant, it shall immediately retain a Consultant to make a report and recommendation with respect to such tuition, student fees and other charges, and with regard to operations of the Borrower. The Borrower further covenants that upon receipt of such report and recommendation from the Consultant, the Borrower shall cause copies thereof to be filed with the Trustee, and the Borrower shall within 60 days of the receipt of such report and recommendation describe in writing to the Trustee what action, if any, the Borrower shall take upon the report and recommendation of the Consultant. So long as the amount described in the preceding paragraph is equal to at least 100% of the Debt Service Requirement for the Fiscal Year in question, and provided that the Borrower does not fail to meet the foregoing rate covenant for two consecutive Fiscal Years, no Event of Default shall be deemed to have occurred under the Loan Agreement unless the Borrower shall have failed to take the foregoing steps.

Incurrence of Additional Indebtedness

The Borrower covenants that it will not incur or assume additional Long-Term Indebtedness unless there is no Event of Default under the Loan Agreement or under the Indenture that has occurred and is continuing, and the Borrower delivers to the Trustee prior to such incurrence either (i) a Borrower Certificate in form acceptable to the Trustee demonstrating that, for each of the two most recent Fiscal Years for which Audited Financial Statements are available, the sum of Net Revenues Available for Debt Service plus, in the case of Long-Term Indebtedness incurred to finance the acquisition or construction of additional student residence facilities or other revenue producing facilities, an amount in each such Fiscal Year equal to the additional annual revenues in the form of room and board or other charges associated with such new facilities which are projected to be received following completion of such acquisition or construction, equaled or exceeded 125% of the Maximum Annual Debt Service Requirement for all Long-Term Indebtedness outstanding during such Fiscal Years and for the Long-Term Indebtedness proposed to be incurred, or (ii) a Borrower Certificate in form acceptable to the Trustee (A) demonstrating that for each of the two most recent Fiscal Years for which Audited Financial Statements are available, Net Revenues Available for Debt Service equaled or exceeded 115% of the Maximum Annual Debt Service Requirement for all Long-Term Indebtedness outstanding during such Fiscal Years and (B) demonstrating that for each of the first two full Fiscal years following the incurrence of such Long-Term Indebtedness, Net Revenues Available for Debt Service are projected to equal or exceed 110% of the Maximum Annual Debt Service Requirement for all Long-Term Indebtedness expected to be outstanding during such Fiscal Years.

Notwithstanding the foregoing, the following types of indebtedness may be incurred without meeting the foregoing requirements:

<u>Refunding Debt</u>. Refunding Indebtedness may be incurred without limitation provided that, except in the case of Refunding Indebtedness incurred to refund Variable Rate Debt, prior to such incurrence, the Borrower shall deliver to the Trustee a Borrower Certificate in form satisfactory to the Trustee demonstrating that the Maximum Annual Debt Service Requirements immediately following the incurrence of such Refunding Indebtedness is not more than 110% of the Maximum Annual Debt Service Requirements immediately prior to the incurrence of such Refunding Indebtedness.

<u>Short-Term Indebtedness</u>. The Borrower may, from time to time, incur or assume Short-Term Indebtedness in the ordinary course of business in any amount up to 20% of Total Operating Revenues for the preceding Fiscal Year, less any Short-Term Indebtedness then outstanding; provided, however, that no Short-Term Indebtedness shall be outstanding for a period of at least 15 consecutive calendar days in each Fiscal Year.

Student Loan Guarantees. The Borrower may incur indebtedness in the form of Student Loan Guarantees as described below under the heading "Student Loan Guarantees."

Non-Recourse Indebtedness. The Borrower may, from time to time, incur debt which is (i) incurred to finance additional capital projects; and (ii) is nonrecourse debt secured solely by a lien on and security interest in the property financed by such debt and/or the revenues therefrom.

Purchase Money Financings. The Borrower may, from time to time, incur debt without complying with the debt incurring tests described above if such debt (i) is issued to finance the acquisition of machinery or equipment; (ii) is unsecured or secured solely by a purchase money security interest in the acquired machinery or equipment; and (iii) is in a principal amount which, when added to the total amount of indebtedness incurred pursuant to this paragraph and outstanding immediately after the incurrence of the new debt, is less than or equal to 15% of the Total Operating Revenues for the then most recent Fiscal Year.

Security for Indebtedness

Any Long-Term Indebtedness or Short-Term Indebtedness hereafter incurred or assumed as described above under the caption "Incurrence of Additional Indebtedness" may be secured only as follows:

(i) In the case of Parity Indebtedness: (a) by a lien on and security interest in the Pledged Revenues ranking on a parity with the lien and security interest granted under the Loan Agreement as confirmed by the execution and delivery by the holder of such debt or a trustee acting on behalf of such holder of a joinder or other agreement by which such lender or holder shall be bound by the terms of the Intercreditor Agreement; or (b) by a lien or mortgage on and/or security interest in Borrower Facilities, provided that, if the Borrower grants a mortgage on or security interest in any part of the Project Facilities, the Borrower shall grant to the Trustee a mortgage of equal priority on and/or security interest in the same property to secure the Loan Agreement.

(ii) In the case of nonrecourse debt, solely by a lien on and/or security interest in the property financed with such debt and/or the revenues therefrom.

(iii) In the case of purchase money financings, solely by a purchase money security interest in machinery or equipment.

(iv) In the case of Student Loan Guarantees, solely by a lien or pledge upon Pledged Revenues subordinate and junior to the pledge of Pledged Revenues under the Loan Agreement.

(v) In the case of other Long-Term Indebtedness:

(A) by a lien, on and security interest in any property or interest in tangible property, real, personal, or mixed, other than the Borrower Facilities or the Pledged Revenues; or

(B) by a purchase money security interest in any real property, fixtures, machinery and equipment made part of the Borrower Facilities and revenues therefrom; or

(C) by a lien on and security interest in the Pledged Revenues subordinate to the lien and security interest granted under the Loan Agreement; provided, however, that no such permitted indebtedness shall be secured by the moneys and investments held by the Trustee in any Funds created under the Indenture.

(vi) Any Short-Term Indebtedness incurred pursuant to the Loan Agreement may be secured solely:

(A) by a purchase money security interest in personal property acquired with the proceeds thereof; or

(B) by a lien on or mortgage against any real or personal property not constituting Borrower Facilities; or

(C) by a lien on and security interest in the Pledged Revenues ranking on a parity with or subordinate to that granted under the Loan Agreement; provided, however, that (i) no such permitted indebtedness shall be secured by the moneys and investments in any Funds held by the Trustee under the Indenture; and (ii) if such lien and security interest shall rank on a parity with that granted under the Loan Agreement, the holder or a trustee acting on behalf of such holder shall have confirmed such parity lien and security interest by the execution and delivery of a joinder or other agreement by which such holder or trustee shall be bound by the terms of the Intercreditor Agreement.

Student Loan Guarantees

The Borrower may incur obligations in the form of Student Loan Guarantees which meet the following criteria upon compliance with the following requirements:

(i) The loans to students shall be made pursuant to a program, whether governmental or privately sponsored, for the purpose of providing aid to students for tuition, room and/or board, or other expenses associated with the attendance by the student at the Borrower's institution and which program shall require that the Borrower execute its Student Loan Guarantee.

(ii) In the case of a program which is fully funded, no part of the obligations guaranteed by the Borrower shall constitute Long-Term Indebtedness of the Borrower. A program shall be deemed to be "fully-funded" if the assets of the program are at least equal to its liabilities, without regard to the guarantee by the Borrower. In determining the assets of the program, full effect must be given to estimated anticipated losses on student repayments to the extent not insured and due provision shall have been made to cover any shortfall between the principal amount of the obligations and the proceeds thereof (i.e., "nonasset bonds"). The plan may be made fully-funded by deposits, bank letters of credit or other credit support facilities provided by the Borrower or others.

(iii) To the extent that a program is not fully funded as provided above, the amount by which the liabilities exceed the assets shall be determined and such amount shall constitute Long-Term Indebtedness of the Borrower for all purposes of the Loan Agreement and the proportionate part of the debt service requirements on such obligations represented by such deficiency shall be deemed to be part of the Debt Service Requirement. A program which at its commencement is not fully funded may nonetheless be demonstrated to have become fully funded at a later date at which time there shall cease to be any Long-Term Indebtedness attributable to such Student Loan Guarantees so long as it continues to be fully-funded.

(iv) The fully funded status of a program or the extent to which a program is not fully funded shall be determined by a Certificate of the Pennsylvania Higher Education Assistance Authority or other issuing governmental authority if such Certificate be obtainable, or in the alternative, shall be certified to by a Consultant, which may be the Certified Public Accountant regularly retained by the Borrower, which Certificate in any case shall set forth in full the basis of its determination.

(v) If a Consultant's Certificate or Certificate of the issuing agency is not available, as provided above, the extent to which the principal amount of the Student Loan Guarantees shall be considered Long-Term Indebtedness shall be determined by multiplying the principal amount of such Student Loan Guarantees by the average default ratio, during the three Fiscal Years preceding such Student Loan Guarantees, for university students participating in United States Government guaranteed student loans programs.

(vi) The guarantee by the Borrower may be secured only by a lien or pledge upon Pledged Revenues subordinate and junior to the pledge of Pledged Revenues under the Loan Agreement.

No Liens or Encumbrances

The Borrower covenants and agrees that it will not grant any liens on the Pledged Revenues or the Borrower Facilities (whether real or personal, and whether owned as of the date of the Loan Agreement or acquired thereafter) except for Permitted Encumbrances.

Disposition of Assets

The Borrower covenants and agrees that it will not sell, transfer or otherwise dispose of any Property (other than transfers of current assets or investments in payment for property, goods or services, or as an investment of funds) except as follows:

(i) The Borrower may transfer property constituting a portion of the Borrower Facilities having a net book value of not more than 5% of the Borrower's total unrestricted net assets shown on its most recent audited financial statements, provided that the Trustee receives a Borrower Certificate which states the Borrower's intended use of the proceeds of such transfer and that such transfer will not adversely affect the ability of the Borrower to meet its payment obligations under the Loan Agreement; or

(ii) If no Event of Default under the Loan Agreement shall have occurred and be continuing, the Borrower may, with or without consideration:

(A) transfer easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Borrower Facilities, or release existing easements, licenses, rights of way and other rights or privileges, all upon such terms and conditions as the Borrower shall determine; or

(B) transfer any property which has been replaced in the ordinary course of operations; or

(C) transfer tangible or intangible personal property, fixtures, or equipment from the Borrower Facilities in the ordinary course of business; or

(D) transfer real estate at any one time or during any Fiscal Year having a net book value alone or in the aggregate not in excess of 10% of the Borrower's net property, plant, and equipment as so determined; or

(E) transfer any property at any one time or during any Fiscal Year having a net book value alone or in the aggregate in excess of the amounts set forth in (i) and (ii)(D) above or not in the ordinary course of business, if the Borrower shall file with the Trustee a Certificate showing that the Borrower's total unrestricted net assets immediately after such transfer shall not be less than 90% of such total unrestricted net assets before such transfer, and stating that such transfer will not adversely affect the ability of the Borrower to meet its payment obligations under the Loan Agreement.

Tax Covenants of Borrower and Authority

The Borrower covenants in the Loan Agreement 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 Bonds shall be excludable from the gross income of the Holders thereof for federal income tax purposes and 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 Bonds for federal income tax purposes.

The Authority and the Borrower mutually covenant for the benefit of the Holders of the Bonds that they will not use the proceeds of the 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 Bonds in a manner which would cause such Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code or would otherwise violate the provisions of the Indenture relating to arbitrage.

The Borrower has covenanted that it will comply with various requirements of the Code pertaining to the excludability of interest on the Bonds from gross income of Holders thereof for federal income tax purposes, including, without limitation, that:

(a) It will take whatever actions are necessary for it to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code, exempt from federal income taxes under Section 501(a) of the Code and not a private foundation under Section 509(a) of the Code (or corresponding provisions of prior law), and it will not perform any acts nor enter into any agreements which would cause any revocation or adverse modification of such federal income tax status; and

(b) The Borrower will make such payments to the Trustee as are required of it under the Indenture in connection with the requirements of Section 148 of the Code concerning arbitrage bonds including Section 148(f), which requires generally rebate payments to the United States of arbitrage profits, and to pay the costs and expenses of any Financial Consultant engaged in accordance with the Indenture to assist in calculating the amount of such rebate payments, if any.

Environmental Matters

The Borrower 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 Borrower's property. The Borrower will indemnify and defend the Authority and the Trustee and their respective directors, officers, employees and agents (the "Indemnified Parties"), and hold the Indemnified Parties harmless from, any loss, liability, damage, claim, fine, penalty, action or cause of action, including, without limitation, out-of-pocket and incidental expenses and court costs and reasonable attorney's fees and expenses and the allocated costs of in-house counsel and legal staff, consultants' fees and any clean-up or remediation costs, arising from any violation or alleged violation by the Borrower of any Environmental Law with respect to the Borrower's property.

Borrower's Use of the Project Facilities

The Borrower will use the Project Facilities only in furtherance of the lawful purposes of the Borrower.

The Borrower further agrees that it will use the Project Facilities for secular instruction and will not use the Project as a facility used primarily in connection with any part of a program of a school or department of divinity for any religious denomination for the training of ministers, priests, rabbis or other similar persons in the field of religion or in a manner which would violate the First Amendment to the Constitution of the United States of America, including the decisions of the United States Supreme Court interpreting the same, or any comparable provisions of the Constitution of the Commonwealth, including the decisions of the Supreme Court of the Commonwealth interpreting the same. Notwithstanding the termination of the Loan Agreement, the Borrower agrees that it will continue to comply with the restriction stated in the preceding sentence on the sectarian use of the Project Facilities. To the extent required by law, the Borrower will permit the Authority to inspect the Project Facilities solely in order to determine whether the Borrower has complied with the provisions of this paragraph and such right of inspection shall survive the termination of the Loan Agreement.

The Borrower further agrees that it will not use the Project Facilities, or permit the Project Facilities to be used, in such manner as would result in the loss of any exemption from federal income taxation to which interest on the Bonds would otherwise be entitled.

Events of Default

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

(a) if the Borrower fails to make any payments required under the Loan Agreement with respect to the principal or redemption price of and interest on the Bonds when the same shall become due and payable thereunder; or

(b) if the Borrower fails to make any other payment or deposit required under the Loan Agreement within thirty (30) days of the due date thereof; or

(c) if the Borrower fails to perform any of its other covenants, conditions or provisions under the Loan Agreement and such failure continues for thirty (30) days after the Authority or the Trustee gives the Borrower written notice thereof; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such thirty (30) day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as, the Borrower shall commence such performance within such thirty (30) day period and shall diligently and continuously prosecute the same to completion; or

(d) if the Borrower admits in writing its inability to pay its debts generally as they become due, or proposes or makes an assignment for the benefit of creditors or a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Borrower or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangements of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Borrower and if such is not vacated, dismissed or stayed on appeal within sixty (60) days; or

(e) if for any reason any of the Bonds shall be declared due and payable by acceleration in accordance with the terms of the Indenture; or

(f) if the Borrower shall default in the payment of any indebtedness (other than amounts due under the Loan Agreement) with a principal amount in excess of $1,000,000, and any period of grace with respect thereto shall have expired; or

(g) the occurrence of any default with respect to Parity Indebtedness subject to the Intercreditor Agreement as a result of which such Parity Indebtedness is declared immediately due and payable.

Remedies

If acceleration of the principal amount of the Bonds has been declared pursuant to the Indenture, the Trustee shall declare all loan payments to be immediately due and payable, whereupon the same shall become immediately due and payable. In addition, if an Event of Default under the Loan Agreement has occurred and is continuing, the Authority (or the Trustee as its assignee) may, at its option, in addition to its other rights and remedies as may be provided in the Loan Agreement or may exist at the time at law or in equity, exercise any one or more of the following remedies:

> (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Authority, and require the Borrower to carry out any agreements with or for the benefit of the Bondholders and to perform its duties under the Act or the Loan Agreement; or
>
> (b) by action or suit in equity require the Borrower to account as if it were the trustee of an express trust for the Authority; or
>
> (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Authority; or
>
> (d) upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bondholders, have appointed a receiver or receivers of the Trust Estate, with such powers as the court making such appointment shall confer; or
>
> (e) upon notice to the Borrower, accelerate the due dates of all sums due or to become due under the Loan Agreement.

In order to entitle the Authority or the Trustee to exercise any remedy reserved to it in Loan Agreement concerning Events of Default and remedies, it shall not be necessary to give any notice, other than such notice as may be therein expressly required. Such rights and remedies as are given the Authority thereunder shall also extend to the Trustee. For so long as any Bonds remain Outstanding under the Indenture, and except with respect to the Borrower's obligations in respect of the Authority's rights to notices, payments of fees and expenses and indemnification rights and the Borrower's obligations to comply with the Act, the Trustee, as the assignee of the Authority, shall have the sole right to exercise rights and remedies against the Borrower upon the occurrence of any Event of Default under the Loan Agreement, and the exercise by the Trustee of such rights and remedies shall be subject to all applicable provisions of the Indenture, the Loan Agreement and the Act. To the extent necessary or appropriate and requested by the Trustee, the Authority shall cooperate with the Trustee in connection with the exercise by the Trustee of such rights and remedies against the Borrower.

Amendments

The Authority and the Borrower may enter into any amendments and supplements to the Loan Agreement without the consent of Bondholders, but with prior notice to the Trustee, for the following purposes:

(a) To cure any ambiguity, inconsistency, defect or omission in the Loan Agreement or in any amendment thereto;

(b) To modify, eliminate or add to the provisions of the Loan Agreement to such extent as shall be necessary to obtain, maintain or improve a rating of the Bonds;

(c) To add covenants of the Borrower or surrender rights or powers of the Borrower;

(d) To make such additions, deletions or modifications as may be necessary in the case of any Bonds to assure compliance with Section 148(f) of the Code relating to the required rebate of certain investment earnings to the United States government or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Bonds; or

(e) In connection with any other change in the Loan Agreement if in the judgment of the Trustee in reliance on an opinion of Counsel (which may be Bond Counsel), the proposed change does not materially adversely affect the rights of the Holders of any Bonds.

Except for amendments, changes or modifications as provided in clauses (a) through (e) above, neither the Authority nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement or waive any obligation or duty of the Borrower under the Loan Agreement without the written consent of the holders of not less than a majority in aggregate principal amount of the Outstanding Bonds affected thereby; provided, however, that no such waiver, amendment, change or modification shall permit termination or cancellation of the Loan Agreement or any reduction of the amounts payable under the Loan Agreement with respect to debt service on the Bonds or change the date when such payments are due without the consent of the Holders of all the Bonds then Outstanding who are adversely affected thereby.

Assignment

The Borrower will not assign the Loan Agreement or any interest of the Borrower therein, 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 Borrower under the Loan Agreement; (ii) in the opinion of Borrower's counsel, neither the validity nor the enforceability of the Loan Agreement will 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 will 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 Bonds; and (v) consent by the Authority, which consent shall not be unreasonably withheld.

THE INDENTURE

The following description of certain provisions of the Indenture is only a brief outline of some of the provisions thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Indenture, a copy of which is on file at the corporate trust office of the Trustee in Philadelphia, Pennsylvania, for a complete statement of these provisions and other provisions which are not summarized in this Official Statement.

Pledge of Trust Estate

In order to secure the payment of the principal of, premium, if any, on and interest on the Bonds and the performance of the Authority's covenants in respect of the Bonds, the Authority assigns and pledges to the Trustee pursuant to the Indenture:

(a) all right, title and interest (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 thereunder (except for the "Unassigned Rights" as defined in the Loan Agreement); and

(b) all of the right, title and interest of the Authority in and to all funds (other than the Rebate Fund) and accounts established under the Indenture and all moneys and investments now or hereafter held therein and all present and future Revenues (as defined in the Indenture).

Bond Fund

A Bond Fund will be established and maintained with the Trustee under the Indenture. Moneys in the Bond Fund will be used to pay (i) the principal or redemption price of Bonds as they mature or become due, upon redemption or acceleration, or otherwise upon surrender thereof, and (ii) the interest on Bonds as it becomes payable whether at maturity, upon redemption or acceleration or otherwise.

Investments

Any moneys held as a part of the Funds established under the Indenture shall be invested by the Trustee in Permitted Investments as provided in the Indenture. Any such investments shall mature or be subject to redemption by the holder at not less than the principal amount thereof, and all deposits in time accounts shall be subject to withdrawal without penalty, not later than the date when the amounts will foreseeably be needed for purposes of the Indenture.

Events of Default and Remedies

The Indenture provides that each of the following shall be an "Event of Default":

(a) Failure to pay the principal or redemption price of any Bond when due and payable, whether at the stated maturity thereof, by redemption, by acceleration or otherwise;

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

(c) Failure by the Authority to comply with the provisions of the Act relating to the Bonds or the Project or to perform or observe any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture or the Bonds, which failure shall have continued for a period of 60 days after written notice has been given by registered or certified mail to the Authority and the Borrower as provided in the Indenture, which notice may be given by the Trustee in its discretion and which notice must be given by the Trustee at the written request of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding; or

(d) The occurrence and continuance of an "Event of Default" as defined in the Loan Agreement (see "THE LOAN AGREEMENT -- "Events of Default" herein).

The Indenture provides that if an Event of Default occurs, the Trustee may and shall upon the written request of the Owners of 25% in principal amount of all Bonds then outstanding (100% in principal amount of all Bonds then outstanding in the case of an Event of Default described in clause (c) above), declare the principal of all Bonds then outstanding to be immediately due and payable and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable to the Owners. Upon any declaration of acceleration under the Indenture, the Trustee shall immediately exercise such rights as it may have as the assignee of the Loan Agreement to declare all payments under the Loan Agreement to be due and payable immediately.

Within five (5) calendar days of the occurrence of any such acceleration, the Trustee shall notify, by first class mail, postage prepaid, the owners of all Bonds then outstanding of the occurrence of such acceleration, the date through which interest has accrued and the time and place of payment.

In addition, upon the occurrence and continuation of an Event of Default under the Indenture, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of principal or redemption price of and interest on the Bonds.

The provisions described above are subject to the condition that if, after the principal of all Bonds has been so declared to be due and payable, all arrears of interest on the Bonds are paid by the Authority, and the Authority performs all other things in respect to which it may have been in default under the Indenture and pays the reasonable charges of the Trustee and of the Owners of the Bonds, including reasonable attorneys' fees, then Owners of a majority in principal amount of the Bonds then outstanding, by notice to the Authority and to the Trustee, may annul such declaration and its consequences.

The Owners of a majority in principal of the Bonds then Outstanding will have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, except that such direction may not (i) be in conflict with the provisions of law and of the Indenture, (ii) unduly prejudice the rights of minority Owners or (iii) involve the Trustee in personal liability against which indemnity would not be satisfactory.

No Bondholder shall have any right to pursue any remedy under the Indenture or the Loan Agreement unless:

(a) The Trustee shall have been given written notice of an Event of Default;

(b) The Holders of at least 25% in principal amount of all Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers granted in the Indenture or to pursue such remedy in its or their name or names;

(c) The Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities; and

(d) The Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding the foregoing provisions or any other provision of the Indenture, the obligation of the Authority shall be absolute and unconditional to pay or cause to be paid, but solely from the revenues and other funds pledged under the Indenture, the principal or redemption price of and interest on, the Bonds to the respective Holders thereof on the respective due dates thereof, and nothing in the Indenture shall affect or impair the right of action, which is absolute and unconditional, of such holders to enforce such payment.

Modifications and Amendments

The Indenture provides that it may be amended or supplemented at any time without notice to or the consent of any of the Owners of the Bonds, by a supplemental indenture consented to by the Borrower, authorized by the Authority and filed with the Trustee for any one or more of the following purposes:

(a) To add additional covenants of the Authority or to surrender any right or power conferred upon the Authority in the Indenture;

(b) For any purpose not inconsistent with the terms of the Indenture or to cure any ambiguity or to correct or supplement any provision of the Indenture or in any supplemental indenture which may be defective or inconsistent with any other provision in the Indenture or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under the Indenture which shall not be inconsistent with the provisions of the Indenture and which shall not adversely affect the interests of the holders of the Bonds, including the appointment and duties of a bond registrar or authenticating agent;

(c) To modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939 or under any similar Federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by the Trust Indenture Act of 1939, as from time to time amended;

(d) To modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to obtain, maintain or improve a rating of the Bonds;

(e) To grant to or confer or impose upon the Trustee for the benefit of the Owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(f) To permit the Bonds to be converted to, or from, certificateless securities or securities represented by a master certificate held in trust, ownership of which, in either case, is evidenced by book entries on the books of the Securities Depository, for any period of time;

(g) To permit the appointment of a co-trustee under the Indenture;

(h) To authorize different authorized denominations of the Bonds and to make correlative amendments and modifications to the Indenture regarding exchangeability of Bonds of different authorized denominations, redemption of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(i) To modify, alter, supplement or amend the Indenture to comply with changes in the Code affecting the status of interest on the Bonds as excluded from gross income for Federal income tax purposes or the obligations of the Authority or the Borrower in respect of Section 148 of the Code;

(j) To modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Owners of the Bonds.

The Indenture may be amended from time to time, except with respect to (i) the principal or interest payable upon any of the Bonds, (ii) the Interest Payment Dates, the dates of maturity or the redemption provisions of any of the Bonds, and (iii) the provisions relating to amendments of the Indenture and the Loan Agreement, in each case by a supplemental indenture consented to by the Borrower and approved by the Owners of at least a majority in aggregate principal amount of the Bonds then outstanding which would be affected by the action proposed to be taken. The Indenture may be amended with respect to the matters enumerated in clauses (i) through (iii) of the immediately preceding sentence with the unanimous consent of all Owners and the Borrower, if the latter's consent is required by the immediately preceding sentence.

Discharge of Indenture

When interest on, and principal or redemption price (as the case may be) of, all Bonds issued under the Indenture have been paid, or there shall have been deposited with the Trustee (i) cash in an amount sufficient to pay in full the principal or redemption price of and interest on the Bonds, and all other sums payable under the Indenture by the Authority, (ii) "defeasance obligations" (as defined below), the principal of and interest on which, when due, will provide sufficient moneys without reinvestment to pay in full the principal or redemption price of and interest on the Bonds, as well as all other sums payable under the Indenture by the Authority, or (iii) any combination of the foregoing, then upon receipt by the Trustee of (a) all of its necessary and proper fees, compensation and expenses, (b) an opinion of Bond Counsel that all conditions precedent to the defeasance of the lien of the Indenture have been complied with, (c) unless the Bonds will be paid in full within 90 days of the date of deposit of any defeasance obligations, a verification report in form and substance satisfactory to the Trustee from an independent certified public accountant or a nationally recognized firm with experience in preparing verification reports to the effect that the cash and defeasance obligations delivered will be sufficient to provide for the payment of the Bonds as aforesaid, and (d) other assurances from the Authority that the Trustee may deem necessary or appropriate, the right, title and interest of the Trustee in the Loan Agreement and the Trust Estate shall thereupon cease and the Trustee, on demand of the Authority, shall release the Loan Agreement and the Trust Estate from the lien and security interest created by the Indenture and shall execute such documents to evidence such release as may be reasonably required by the Authority or the Borrower and shall turn over to the Borrower or to such Person as may be entitled to receive the same, as it shall be directed in writing by the Borrower all balances remaining in any funds (other than the Rebate Fund) under the Indenture and the Trustee's right, title and interest to and under the Loan Agreement. For the purposes of this paragraph, "defeasance obligations" shall mean the following, but only to the extent they are Permitted Investments at the time of delivery to the Trustee: (1) Government Obligations; and (2) pre-refunded debt obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, provided that such debt obligations are rated at least "AA" by S&P or at least "Aa" by Moody's.

The foregoing requirements may also be met with respect to any portion of the Bonds, as designated by the Borrower, by depositing with the Trustee cash, defeasance obligations, or any combination thereof sufficient to pay or provide for the payment of such Bonds, as described in the preceding paragraph. Upon such deposit, the Bonds for which such deposit has been made shall no longer be deemed Outstanding under the Indenture.

The Trustee

The obligations and duties of the Trustee are described in the Indenture and, except upon an Event of Default, the Trustee has undertaken only those obligations and duties which are expressly set out in the Indenture. If any Event of Default of which the Trustee has been notified or is deemed to have notice under the Indenture has occurred and is continuing, the Trustee is obligated to exercise such of the rights and remedies vested in it by the Indenture and to use the same degree of care in its exercise as a prudent person would exercise or use in the circumstances in the conduct of his own affairs; provided that if in the opinion of the Trustee such action may tend to involve expense or liability, it will not be obligated to take such action unless it is furnished with indemnity satisfactory to it.

The Indenture expressly provides that the Trustee will 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 Holders 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 the Indenture.

Under the terms of the Indenture, the Trustee is liable only for those damages caused by its gross negligence or willful misconduct. Under the terms of the Indenture, the Trustee shall not be deemed to have notice of an Event of Default, other than the failure to pay principal of or interest on the Bonds when due, unless the Trustee has been notified in writing of such events by the Borrower, the Authority or the holders of at least 25% in aggregate principal amount of the Bonds then Outstanding. In the absence of delivery of such notices satisfying these requirements, the Trustee may assume conclusively that there is no such default. The summary of the Trustee's rights, duties, obligations and immunities contained herein is not intended to be a complete summary, and reference must be made to the Indenture for a complete statement of the Trustee's rights, duties, obligations and immunities.

The Trustee may resign and be discharged by written resignation filed with the Authority (and a copy to the Borrower) not less than 30 days prior to the date the resignation is to take effect. Such resignation will take effect only upon the appointment of, and acceptance of such appointment by, a successor trustee. In addition, the Trustee may be removed at any time by an instrument appointing a successor to the Trustee so removed, executed (i) by the Authority at the direction of the Holders of a majority in principal amount of the Bonds then Outstanding, or (ii) so long as no Event of Default has occurred and is continuing, by the Authority or by the Borrower with the written consent of the Authority

Any successor trustee must be a national banking association or a state bank with trust powers or a bank and trust company having capital and surplus of at least $50,000,000, if there is one able and willing to accept the trust on reasonable and customary terms.

Limitation of Rights; No Personal Recourse.

With the exception of rights conferred expressly in the Indenture, nothing expressed or implied is intended or shall be construed to give to any person other than the parties thereto, the Borrower and the Holders of the Bonds any legal or equitable right, remedy, power or claim under or with respect to the Indenture or any covenants, agreements, conditions and provisions contained therein.

The Indenture does not pledge the general credit of the Authority or the general credit or the taxing power of the County of York, the Commonwealth of Pennsylvania or any political subdivision thereof. The liability of the Authority shall be limited to and payable solely from the sources described herein under "SECURITY AND SOURCES OF PAYMENT FOR BONDS".

No recourse shall be had for any claim based on the Indenture or the Bonds, including but not limited to the payment of the principal or redemption price of, or interest on, the Bonds, against the Authority or 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 Revenues. The Program Sponsor shall have no liability hereunder, under the Bonds or under the Loan Agreement.

BONDHOLDERS' RISKS

General

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

Covenant to Maintain Tax-Exempt Status of the Bonds

The tax-exempt status of the Bonds is based on the continued compliance by the Authority and the Borrower with certain covenants contained in the Indenture, the Loan Agreement and the other documents executed by the Authority, the Borrower and the Trustee. These covenants relate generally to restrictions on use of facilities financed with proceeds of the Bonds, arbitrage limitations, rebate of certain excess investment earnings to the federal government and restrictions on the amount of issuance costs financed with the proceeds of the Bonds. Failure by the Authority and/or the Borrower to comply with such covenants could cause interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance of the Bonds.

Enforceability of Remedies

The remedies available to Bondholders upon an Event of Default under the Indenture or the Loan Agreement are in many respects dependent upon judicial action, which is subject to discretion or delay. Under existing law and judicial decisions, including specifically the Bankruptcy Code, the remedies specified in the Indenture and the Loan Agreement may not be readily available or may be limited. A court may decide not to order specific performance.

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

State and Federal Legislation

Legislation has been proposed in the past, and may be proposed again in the future, to eliminate the tax-exempt status of bonds issued to finance educational facilities or to limit the use of tax-exempt bonds, or to prevent certain holders of tax-exempt bonds from realizing the full benefit of the tax exemption of interest on such bonds. Any such limitation could reduce the ability of the Borrower to finance its future capital needs. The effect on the Borrower of proposed laws and regulations and of future changes in federal and state laws and policies cannot be fully or accurately determined at this time.

Other Risk Factors

In the future, the following factors, among others, may adversely affect the operations of the Borrower to an extent that cannot be determined at this time:

(1) Loss of accreditation for the Borrower or key academic programs.

(2) Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.

(3) Litigation resulting in required payments by the Borrower which exceed insurance coverages.

(4) Increased costs and decreased availability of public liability or other types of insurance.

(5) Changes in the demand for higher education in general or for programs offered by the Borrower in particular.

(6) Cost and availability of energy.

(7) High interest rates, which could strain cash flow or prevent borrowing for needed capital expenditures.

(8) A decrease in student loan funds or other aid that permits many students the opportunity to pursue higher education.

(9) An increase in the costs of health care benefits, retirement plans, or other benefit packages offered by the Borrower to its employees.

(10) Withdrawal of any current exemptions from local real estate taxes, business privilege taxes and similar impositions.

(11) Losses in investments held by the Borrower.

(12) Reduced future Borrower revenues as a result of a need to increase tuition discounting to attract students.

(13) 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 Borrower revenues.

(14) Reduced ability to attract future annual or capital campaign contributions, that may limit future projects and/or the ability to address deferred maintenance.

(15) Reduced availability of qualified faculty to teach the programs offered by the Borrower.

(16) An inability to retain students, resulting in enrollment losses and reduced revenues.

(17) Future deficits as a result of increased future expenses.

NO PERSONAL RECOURSE

No covenant or agreement contained in the 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 Program Sponsor 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 Program Sponsor past, present or future, or their successors or assigns, as such, either directly or through the Authority or the Program Sponsor, or any successor corporations, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

LITIGATION

As of the date hereof, there is no litigation of any nature pending or, to the Authority's knowledge, as to the Authority, or the Borrower's knowledge, threatened against the Authority or the Borrower to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the application of the proceeds thereof as herein described, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, the pledge or application of any monies or security for the Bonds or the existence or powers of the Authority.

As of the date hereof, to the knowledge of the Borrower, there is no litigation pending or threatened against the Borrower wherein an unfavorable decision would adversely affect the ability of the Borrower to carry out its obligations under the Indenture or the Loan Agreement, or would have a material adverse impact on the financial position or operations of the Borrower.

CONTINUING DISCLOSURE

On or before the date of issuance of the Bonds, the Borrower will execute and deliver a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") in substantially the form set forth in Appendix C hereto. Pursuant to the Continuing Disclosure Certificate, the Borrower will agree to provide certain continuing disclosure for the benefit of the holders of the Bonds pursuant to Securities and Exchange Commission Rule 15c2-12 (the "Rule"). The provisions of the Continuing Disclosure Certificate will be for the benefit of the beneficial owners of the Bonds under the circumstances described therein, and each beneficial owner will be a beneficiary of the provisions of the Continuing Disclosure Certificate with the right to enforce such provisions directly against the Borrower. However, breach of the provisions of the Continuing Disclosure Certificate will not be considered an Event of Default under the Indenture or the Loan Agreement and none of the rights and remedies provided under the Indenture or the Loan Agreement upon an Event of Default (other than specific performance) will be available to the beneficial owners in the event of such breach. Unless otherwise required by law, no beneficial owner is entitled to damages for the Borrower's noncompliance with its obligations under the Continuing Disclosure Certificate.

The Borrower has made similar undertakings in the past (the "Prior Continuing Disclosure Undertakings") in connection with other series of bonds previously issued for the benefit of the Borrower. While the Borrower made annual filings of financial and operating information in accordance with the Rule and the Prior Continuing Disclosure

Undertakings, certain information contained in the filings was not presented in the format required under the Rule. Corrective filings to bring the Borrower's prior filings into conformity with the requirements of the Rule and the Continuing Disclosure Undertakings were made by the Borrower in 2014.

TAX MATTERS

General

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Authority and the Borrower and continuing compliance by the Authority and the Borrower with the requirements of the Internal Revenue Code of 1986 (the "Code"). Interest on the Bonds is not an item of tax preference for purposes of either individual or corporate federal alternative minimum tax; however, interest on Bonds held by a corporation (other than an S Corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal alternative minimum tax because of its inclusion in the adjusted current earnings of a corporate holder. Bond Counsel expresses no opinion regarding other Federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Certain Bonds are being 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 Bond accrues periodically over the term of the 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 the 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.

Certain of the Bonds are being 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 Bond through reductions in the holder's tax basis for the 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 advisors for an explanation of the amortization rules.

Bond Counsel is also of the opinion that, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date of initial delivery of the Bonds, interest on the Bonds is exempt from Pennsylvania personal income tax and corporate net income tax, and the Bonds are exempt from personal property taxes in Pennsylvania.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Ballard Spahr LLP, Philadelphia, Pennsylvania, Bond Counsel. A signed copy of their opinion, dated and premised on facts existing and law in effect as of the date of original issuance and delivery of the Bonds, will be delivered to the Trustee at the time of such original issuance.

Certain legal matters will be passed upon by Stock and Leader, LLP, York, Pennsylvania, as counsel to the Authority; by Barley Snyder, LLP, York, Pennsylvania, as counsel to the Borrower; and by Campbell & Levine, LLC, Pittsburgh, Pennsylvania, as counsel to the Financial Advisor.

RATING

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") has assigned its municipal bond rating of "A-" to the Bonds, with a Stable Outlook, based on the creditworthiness of the Borrower.

Certain information and materials not included in this Official Statement was furnished to S&P. Generally, such Rating Service bases its ratings on information and materials so furnished and on investigations, studies and assumptions by such Rating Service. The rating and outlook assigned to the Bonds reflects only the views of such Rating Service at the time such rating was issued, and an explanation of the significance of such rating and outlook may be obtained only from such Rating Service. Such rating and outlook are not a recommendation to buy, sell or hold the Bonds. There is no assurance that any such rating or outlook will continue for any given period of time or that they will not be lowered or withdrawn entirely by such Rating Service if, in its judgment, circumstances so warrant. Any such downward revision of such rating or outlook or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased for reoffering by Fidelity Capital Markets (the "Underwriter"). The initial public offering prices set forth on the inside cover page of this Official Statement may be changed from time to time by the Underwriter without any requirement of prior notice. The Underwriter reserves the right to join with other dealers in offering the Bonds to the public. The Bonds may be offered and sold to other dealers (including Bonds for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices other than the public offering prices stated on the inside cover page of this Official Statement.

SALE BY COMPETITIVE BID

The Bonds were offered for sale by competitive bid on June 22, 2016 in accordance with the Notice of Sale therefor. The interest rates shown on the inside cover page of this Official Statement are the interest rates provided by the successful bidder in the winning bid. The prices or yields shown on the inside cover of this Official Statement are based on information supplied by the successful bidder. Any other information concerning the terms of the reoffering of the Bonds should be obtained from the successful bidder.

FINANCIAL ADVISOR

George K. Baum & Company (the "Financial Advisor"), Pittsburgh, Pennsylvania has been engaged by the Borrower to assist the Borrower in the development and implementation of the financial plan leading to the issuance of the Bonds. The Financial Advisor has not been engaged by the Authority. The Financial Advisor has not been engaged by the Borrower to compile, create or interpret any information in this Official Statement relating to the Borrower or the Authority, including (without limitation) any of the Borrower's or the Authority's financial and operating data, whether historical or projected. Any information contained in this Official Statement concerning the Borrower or the Authority, any of their respective affiliates or contractors and any outside parties has not been independently verified by the Financial Advisor, and inclusion of such information is not and should not be construed as a representation by the Financial Advisor as to its accuracy or completeness or otherwise. The Financial Advisor is not a public accounting firm, and has not been engaged by the Borrower to review or audit any information in this Official Statement in accordance with accounting standards.

The Financial Advisor does not assume any responsibility for the covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The financial statements of the Borrower as of and for the fiscal years ended June 30, 2015 and June 30, 2014 are included in Appendix B hereto and have been audited by Grant Thornton LLP, as stated in their report appearing therein.

VERIFICATION REPORT

The arithmetical accuracy of the mathematical computations supporting the adequacy of the maturing principal amounts of, and interest earned on, the securities purchased to fund the escrow account established for the refunding of the 2007 Bonds will be verified by Causey Demgen & Moore P.C., as a condition to the delivery of the Bonds.

OTHER MATTERS

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The offering of the Bonds is made only by means of this entire Official Statement. The Appendices are integral parts of this Official Statement and should be read in their entirety together with the other sections of this Official Statement.

The foregoing references to and summaries or descriptions of provisions of the Bonds, the Project, the Loan Agreement and the Indenture, and all references to other materials not stated to be quoted in full, are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. Copies of the Loan Agreement and the Indenture may be obtained from the Financial Advisor as set forth herein under "INTRODUCTORY STATEMENT."

The information set forth in this Official Statement, and in the Appendices hereto, should not be construed as representing all of the conditions affecting the Authority, the Borrower, or the Bonds.

Statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as such and not as representations of facts. All projections, estimates and other statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements and any 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 financial condition and results of operations of the Borrower include, among other things, changes in economic conditions and various other events, conditions and circumstances, many of which are beyond the control of the Borrower. Such forward-looking statements speak only as of the date of this Official Statement. The Borrower disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Borrower's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The distribution of this Official Statement has been duly authorized by the Authority and the Borrower. The Authority has not assisted in the preparation of this Official Statement, except for the statements pertaining to the Authority under the captions "THE AUTHORITY" and "LITIGATION" herein and, except as aforesaid, the Authority is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the Bonds. Accordingly, except as aforesaid, the Authority assumes no responsibility for the disclosures set forth in this Official Statement.

YORK COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

By: /s/Jack Kay
Chairman

APPENDIX A

INFORMATION CONCERNING YORK COLLEGE OF PENNSYLVANIA

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APPENDIX A

INFORMATION CONCERNING YORK COLLEGE OF PENNSYLVANIA

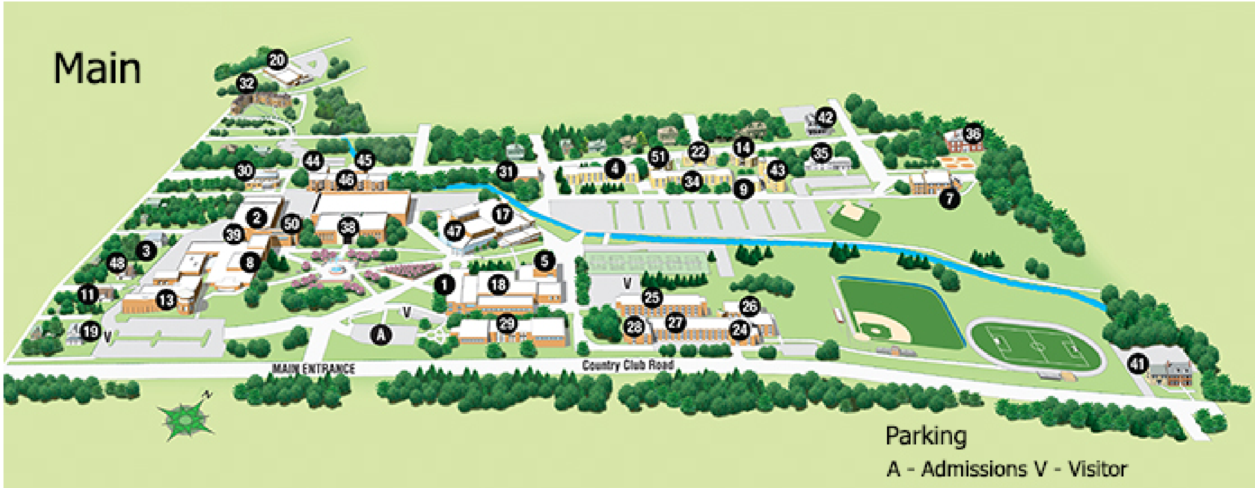
YORK COLLEGE OF PENNSYLVANIA

Introduction and History

York College of Pennsylvania (the "College") traces its founding back to 1787 when it was known as York County Academy. The Reverend John Andrews of St. John's Episcopal Church played a leading role in the Academy's establishment. In 1929, the institution merged with the York Collegiate Institute, a non-denominational sister institution which had been founded in 1873 by Samuel Small. In 1941, the trustees agreed to amend the institution's charter to provide for a two-year liberal arts program at the junior college level. The new institution adopted the name York Junior College. In 1965, the College moved to its current location in suburban York, which provided more space for academic programs. In 1968, the curriculum grew to a full bachelor's degree program and the institution's name was changed to York College of Pennsylvania. Today, the College offers bachelor, master, and doctorate level courses.

Location and Facilities

Facilities are found on both Main Campus and West Campus, located along Country Club Road in York, Pennsylvania. Maps of the College's Main Campus & West Campus are shown below.



#1 Admissions Welcome Center - Located in the Iosue Student Union Building.

#2 Appell Life Sciences Building - Features updated laboratory spaces, multiple specialty spaces (tissue culture suite, microscopy lab, and walk-in cold room), research and preparation spaces, and student and faculty conference rooms for the departments of Biological Sciences, Behavioral Sciences and Education.

#3, #11, #19, #31, #42, #48 - Several small residences on the border of campus that house student organizations, typically sororities.

#4, #6, #9, #10, #14, #22-#28, #32, #34-#35, #37, #40-#41, #43-46, #51 Residence Halls - Over the past 10 years, the College has made significant investments in and expanded its student residences on both the Main and West campuses.

Richland Hall

Little Run Lodge Housing

#5 College Bookstore - Located in the Iosue Student Union Building.

#7 Brougher Chapel - As the College is a non-denominational institution, the chapel contains space for various religious activities, including a Catholic Newman Club, Inter-Varsity Christian Fellowship, and a Hillel Jewish Organization.

Brougher Chapel

#8 Campbell Hall - Home to Academic Services, which includes Academic Advising, the Center for Professional Excellence and the Career Development Center. Campbell also includes state-of-the-art chemistry instrumentation to support majors in Chemistry, Forensic Chemistry and Pre-Med.

#12 Diehl Hall - The Nursing Education Center in Diehl Hall includes five state-of-the-art learning laboratories that replicate actual clinical settings: a basic nursing care lab, an adult health lab (critical care and chronic care), a maternal/ pediatric care lab, a home care lab, and a communication/mental health lab. The media center and computer laboratory provide opportunities for learning via computer-assisted programs and films.

Diehl Hall

#13 Evelyn and Earle Wolf Hall - Includes three art studios, a photography facility, and York College Galleries; rehearsal and practice rooms, multi-track recording studio and mixing control room, music library, and DeMeester Recital Hall; and edit suites, studios, and two state-of-the-art video production facilities coordinated by a high-tech computer assisted control room.

Evelyn and Earle Wolf Hall
(named in honor of the grandparents of current Governor of Pennsylvania, Tom Wolf)

#15 Grantley Hall - Home to the Division of College Advancement (Communications, Development, Alumni Relations), the Office of Community Education, and the Spartan student newspaper.

#16 Grumbacher Sport and Fitness Center - Includes a three-court field house, state-of-the-art strength and fitness center, 12-recreational-lane natatorium, three-lane elevated jogging track, two-story climbing wall, classroom space, racquetball court, multi-purpose rooms, café, and the Charles Wolf Gymnasium. The Center has two artificially surfaced and two natural grass playing fields outside and an all-weather running track complete with throwing circles and jumping pits.

Grumbacher Sport and Fitness Center

#17 Humanities Center - Features classrooms, an oral history lab and museum studies room, film study labs and a film screening room, computer labs, faculty offices, the Center for Teaching and Learning, and Pura Vida Café.

#18 Iosue Student Union Building - Houses the Johnson Dining Hall, Spart's Den, the Bookstore, WVYC (the College radio station), and the Admissions Welcome Center.

#20 Kings Mill Depot - A repurposed manufacturing facility on Main Campus home to campus operations, the print shop and mail services, and the business incubator for the J.D. Brown Center for Entrepreneurship.

#21 Kinsley Engineering Center - Contains state-of-the-art laboratories, equipment, computers, and design facilities including a mechatronics lab, materials science and engineering lab, machine shop and welding lab, thermodynamics and fluid mechanics lab, and CAD lab. The Center features a workspace area and a large common area.

Kinsley Engineering Center

#29 Miller Administration Building - Bearing the name of the College's first president, Miller Administration Building includes the President's Office, Admissions, Academic Affairs, Business Affairs, Campus Operations, Financial Aid Office and Registrar.

#30 Naylor Ecological Sciences Center - Features aquatic and terrestrial laboratories, a large aquaria space, a controlled growth chamber, research spaces, and is topped by five glasshouses.

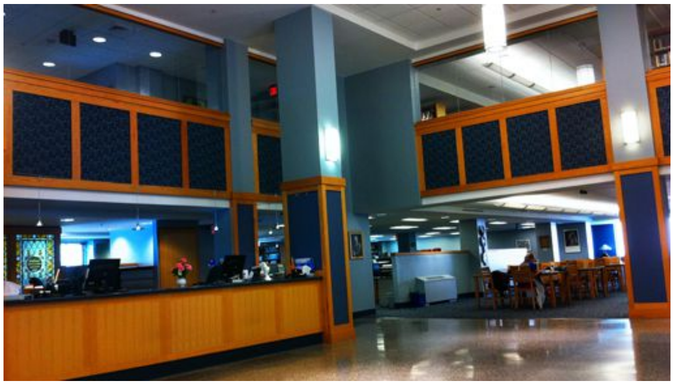
Naylor Ecological Sciences Building

#33 Nursing Education Center - Nursing classroom, faculty offices and student spaces adjacent to Diehl Hall.

#36 President's Home - Also the setting for receptions for visiting artists, lecturers & special guests.

President's Home

#38 Schmidt Library - Provides dynamic group study spaces, quiet study floors, wireless laptops for use in the library, technology-enhanced group study rooms, comfortable lounge areas, wireless network connections including the outdoor courtyard, college archives, and Special Collections.



Schmidt Library

#39 Shipley Education Center - Home of Education department including classrooms, faculty offices and student spaces.

#47 Waldner Performing Arts Center - Features the 700-seat York Collegiate and 125-seat Perko Playpen Theatres. Also includes a scene shop, green room and costume shop.

Waldner Performing Arts Center

#49 West Campus Community Center - A student center with a dining facility, central mailboxes, multipurpose space, TV lounges, game room, and group study rooms.

West Campus Community Center

#50 Willman Business Center - Home of the largest academic department on campus, the Willman Business Center features a tiered auditorium, financial trading and commerce laboratory, smart classrooms, and a glass-enclosed corporate training center.

Willman Business Center

Recently Completed Major Campus Projects

During the 10-year period ended June 30, 2015, the College has invested in $236.0 million in new projects. Of this total, only $69.2 million was borrowed. The balance, as shown below was derived from gifts, grants and the College's own unrestricted resources, due to the consistent operating surpluses that the College has produced. $131.2 million of the $236.0 million was contributed from operating surplus cash. Such projects include:

- Fall 2013------ Willman Business Center
- Fall 2012------ Diehl Hall (Home of Nursing and Hospitality Management)
- Fall 2011------ Northside Commons Dormitory
- Fall 2011------ Appell Life Sciences Building-Major Renovation
- Spring 2011---Kings Mill Depot (Home of JD Brown Entrepreneurship Center)
- Fall 2010------ Naylor Ecological Sciences Building
- Fall 2009------ Little Run Lodge and West Campus Community Center
- Fall 2008------ Collegiate Performing Art Center
- Fall 2008------ Kinsley Engineering Center
- Fall 2007------ Humanities Center
- Fall 2006------ Grumbacher Sports and Fitness Center

Governance

York College of Pennsylvania is governed by a Board of Trustees (the "Trustees" or the "Board") which currently numbers 23 active members, not including non-voting emeritus members. The Board elects Trustees for renewable three-year terms. The Trustees meet three times each year and the Executive Committee of the Board meets six times each year in months when the full Board is not meeting. The Board has ten standing Committees: Executive Committee, Finance and Audit Committee, Investment Committee, College Advancement Committee, Education Committee, Student Life and Athletics Committee, Buildings, Grounds and Equipment Committee, Governance Committee, the Neighborhood Revitalization Committee, and the College Committee for York Country Day School. The York Country Day School, a private independent school, is owned by the College.

Board of Trustees

The current members of the College's Board of Trustees, as well as each member's principal affiliation (and Board office, if applicable) are set forth below:

Accreditations and Approvals

York College of Pennsylvania is accredited or approved by the following organizations:

- Middle States Association of Colleges and Schools
- Commission on Accreditation of Allied Health Education Programs
- Commission on Collegiate Nursing Education
- Accrediting Council of Business Schools and Programs
- Accreditation Board for Engineering and Technology Council
- Council on Accreditation of Parks, Recreation, Tourism and Related Professions
- The Pennsylvania Department of Education
- The Pennsylvania State Board of Nursing
- Department of Education for Training Veterans
- Council on Accreditation of Nurse Anesthesia Educational Programs
- National Association of Schools of Music
- Commission on Sport Management Accreditation

The College is accredited by the Middle States Commission on Higher Education ("MSCHE") (3624 Market Street, Philadelphia, PA 19104, (267) 284-5000, www.msche.org), which accreditation was most recently affirmed on November 17, 2011. On June 24, 2016, the College received a letter from MSCHE warning that the College's accreditation may be in jeopardy. The Commission places an institution on warning when, in the Commission's judgment, the institution is not in compliance with one or more Commission accreditation standards. When the Commission warns an institution, it believes that, although the institution is out of compliance, the institution has the capacity both to make appropriate improvements within a reasonable period and to sustain itself in the long term. MSCHE is requesting that the College provide MSCHE with evidence that it is currently in compliance with MSCHE's standard relating to institutional assessment, including providing documentation of (1) an organized, systematic, and sustained assessment process to evaluate and improve the total range of programs and services, (2) clearly articulated unit-level goals with realistic guidelines and a timetable, and (3) evidence that assessment results are shared and discussed with appropriate constituents. The letter also requests the College to document further development and implementation of policies and procedures for projecting multi-year enrollments and budgets. MSCHE is requesting the College to provide MSCHE with a monitoring report providing such documentation by March 1, 2017, after which a site visit by MSCHE will be scheduled. The letter states that the College's accreditation remains in effect during this process. The College intends to promptly take all necessary action to ensure compliance with the MSCHE standards in accordance with the letter and is highly confident that MSCHE will remove the warning and reaffirm accreditation.

Memberships

York College of Pennsylvania is a member of the following organizations:

- American Association of Colleges of Nursing
- American Association of Collegiate Registrars and Admissions Officers
- Association of Independent Colleges and Universities of Pennsylvania
- College and University Public Relations Association of Pennsylvania
- College Entrance Examination Board
- Council for the Advancement and Support of Education
- Council of Independent Colleges
- Middle Atlantic Association of Schools of Business
- Marine Science Consortium
- National Association of Independent Colleges and Universities
- National Association of College Admissions Counselors
- National League for Nursing
- National Recreation and Parks Association
- Pennsylvania Association of College Admissions Counselors
- Pennsylvania Recreation and Park Society
- National Association of Student Personnel Administrators

Institutional Accomplishments & Recognition

- Ranked among 198 “Best Buys in Higher Education” by Barron’s Best Buys in College Education
- Ranked in the top tier of the “Best Regional Universities in the North” by U.S. News Best Colleges
- Ranked among the top third of “100 Colleges Worth Considering” by The Washington Post
- Among 226 colleges included in the Princeton Review’s Best in the Northeast

Principal Officers

The President and the following senior officers, who comprise her cabinet, administer the College on a day-to-day basis. The Board of Trustees appoints the President, and she serves at their pleasure.

Dr. Pamela Gunter-Smith, Ph.D., *President.* Dr. Pamela Gunter-Smith has served as President of York College since July 1, 2013. She was previously the Provost and Academic Vice President of Drew University since 2006. Prior to her appointment at Drew University, she served as the Porter Professor of Physiology at Spelman College from 1992-2006. At Spelman, Gunter-Smith chaired the Biology Department (1992-2002) and was the Associate Provost for Science and Mathematics (2002-2003). She also served as the Program Director for Spelman’s NIH-sponsored Center for Biomedical and Behavioral Research (2002-2003) and Spelman’s Howard Hughes Medical Institute Program (1993-2002). Dr. Gunter-Smith has also held academic appointments at the George Washington University (Washington, D.C.) and the Uniformed Services University of the Health Sciences (Bethesda, Maryland). For 12 years before joining Spelman (1981-1992), Dr. Gunter-Smith was a research scientist and science administrator at the Armed Forces Radiobiology Research Institute in Bethesda, Maryland. In addition to conducting her own research, she was responsible for aligning the research of three laboratories along institutional priorities and had budgetary responsibility for all project resources.

Dr. Gunter-Smith has served on numerous committees that address science education and the underrepresentation of minorities in science. These include review panels for the National Institutes of Health, the National Science Foundation, and the Howard Hughes Medical Institute. She served on the AP Biology Redesign Commission for the College Board and is a former co-chair of the Porter Physiology Development Committee for the American Physiological Society, the minority affairs committee of the society. More recently, she serves on the Board of Directors of the William Townsend Porter Foundation and the Higher Education Resource Services (HERS).

Dr. Gunter-Smith holds a B.S. in Biology from Spelman College and a Ph.D. in Physiology from Emory University. She conducted postdoctoral studies at the University of Pittsburgh School of Medicine and the University of Texas Health Science Center at Houston. She has published in the areas of gastrointestinal physiology and membrane ion transport and is the recipient of grants to support science education and her research. Dr, Gunter-Smith is also a graduate of the 2001 HERS Summer Institute for Women in Higher Education Administration and during 2003-2004, she was an American Council on Education Fellow at the University of Miami working with the university's president Donna Shalala.

Mr. C. Matthew Smith, ***Dean of Business Affairs and Chief Financial Officer.*** Mr. Smith joined York College of Pennsylvania in May of 2006. Before joining the College, he was Director of Financial Planning and Accounting for York International Corporation and held several senior executive positions at Glatfelter, a global corporation headquartered in York, Pennsylvania. Mr. Smith received a B.S. from Lehigh University.

Dr. Laura Niesen de Abruna, ***Provost and Dean of Academic Affairs – effective July 1, 2016.*** Dr. Niesen de Abruna has nine years of experience as Provost and will join York College of Pennsylvania after most recently serving as Provost and Vice President of Academic Affairs at Sacred Heart University (2011-2016). Prior relevant experience includes Provost at Roger Williams University, Vice President of Academic Affairs at Heidelberg University and Dean of Art, Humanities and Communications at Susquehanna University. Dr. Niesen de Abruna holds an A.B. in English from Smith College, M.A. and Ph.D. in English from University of North Carolina (Chapel Hill), and an M.S. Ed. from the University of Pennsylvania.

Dr. Darrien Davenport, ***Interim Dean of Enrollment Management.*** Dr. Davenport joined the College in 2009 as the Director of lntercultural Life and Global Planning. In 2015, he was promoted to Assistant Dean of Student Affairs. Dr. Davenport earned his B.S. in Economics from West Chester University, his M.S. in Leadership and Business Ethics from Duquesne University and his Ed.D. in Higher Education Administration from Northeastern University.

Dr. Dominic F. DelliCarpini, Ph.D., ***Dean, Center for Community Engagement.*** Dr. DelliCarpini joined the faculty of York College of Pennsylvania in 1997 and served in several leadership roles before becoming Dean of Academic Affairs in 2010 and Dean, Center for Community Engagement in 2015. Dr. DelliCarpini, who has served leadership positions with several national academic organizations, received a B.A. degree in English from the University of Pennsylvania and Ph.D. in English from the Pennsylvania State University.

Ms. Jane C. Hogge, ***Dean of College Advancement – effective July 1, 2016.*** Ms. Hogge joins York College of Pennsylvania from Loyola University Maryland (2009-2016), where she was the Assistant Vice President for Advancement for the past four years. In all, Ms. Hogge has over 15 years of relevant advancement experience in higher education. Ms. Hogge received a B.A in Economics from Loyola College in Maryland and an M.S. in Industrial Administration from Carnegie Mellon University.

Dr. Kenneth M. Martin, Ph.D., ***Dean of Campus Operations.*** Dr. Martin joined York College in May of 2004. He was previously Vice President of Operations for Messiah College. Dr. Martin received his B.S., M.S., and Ph.D. degrees from Pennsylvania State University.

Mr. Joseph Merkle, ***Dean of Student Affairs.*** Mr. Merkle is the Dean of Student Affairs for York College of Pennsylvania. Mr. Merkle received both a Bachelor's degree and a Master's degree from the University of South Florida in Tampa, in 1972 and 1974, respectively.

Academic Programs Profile

York College of Pennsylvania offers a program of studies which provides degree options in over 50 academic disciplines. Of equal importance, York College of Pennsylvania requires all students to complete a general education curriculum, which includes courses in English and Communications skills, Mathematics, Laboratory Science, Humanities and Fine Arts, Behavioral and Social Sciences, and American and Global Citizenships.

The following is a list of undergraduate majors. The College also offers master's degrees in Business, Education and Nursing, as well as a doctorate in Nursing Practice.

Accounting
Biological Sciences
Biological Sciences (Associate)
Business Administration
Business Administration (Associate)
Business Analytics
Chemistry
Chemistry (Associate)
Civil Engineering (Starting Fall 2016)
Computer Engineering
Computer Information Systems
Computer Science
Criminal Justice
Criminal Justice (Associate)
Early Elementary/Special Education
Early Elementary Education
Economics
Electrical Engineering
Engineering Management
Entrepreneurship
Finance
Fine Art
Forensic Chemistry
General Studies (Associate)
Graphic Design
History
Hospitality Management
Human Services
Intelligence Analysis
International Relations
Literary and Textual Studies
Management
Marketing
Mass Communication
Mathematics
Mechanical Engineering
Medical Laboratory Science
Middle Level Education
Middle Level/Special Education
Music
Music Education
Music Industry/Recording Technology
Nuclear Medicine Technology
Nursing
Philosophy
Political Science
Professional Writing
Psychology
Public Relations
Radiography
Recreation and Leisure Administration
Respiratory Care
RN to B.S. with a Major in Nursing
Secondary Education/Biology
Secondary Education/English
Secondary Education/General Science
Secondary Education/Mathematics
Secondary Education/Social Studies
Sociology
Spanish
Spanish Education
Sports Management
Supply Chain Operations Management
Theatre

Information Resources

Information Resources provides state-of-the-art information systems to all faculty, staff and students. Students are assigned a network account that allows them to access file storage, networked programs, e-mail, internet access, and printing. York College of Pennsylvania network services are provided by a variety of servers to computers via a campus-wide fiber optic network connecting all academic, administrative, and residential buildings.

Faculty & Staff Profile

As of fall 2015, the College employed 280 full-time equivalent faculty. Ninety-eight percent of the 183 full-time faculty held a doctorate (82%), master's (12%), or other terminal degree (4%). Full professors comprised 9% of the full-time faculty; associate professor, 40%; assistant professors, 38%; and instructors, 13%. The College also employed 175 professional administrative staff personnel (159 FT; 16 PT) and 256 service personnel (118 FT; 138 PT) to support its academic, student life and auxiliary programs.

The student-to-faculty (FTE) ratio for fall 2015 was 16:1.

There is no collective bargaining unit or other labor union representative on campus. Relations between the College and its employees are considered to be excellent.

Pension Plan

The College's pension plan is a defined contribution plan which operates under Section 403(b) of the Internal Revenue Code. These benefits are provided to eligible employees through contributions to a non-forfeitable savings account. Employees may contribute as much as they may choose, limited only by IRS guidelines. The College provides a match of up to 10 percent of the employee's salary.

In addition to the 403(b) plan, Senior Administrators are eligible to participate in a supplemental 457(b) retirement plan. A former president of the College also participates in a supplemental nonqualified 457(f) retirement plan.

The College also provides deferred compensation to full-time faculty members in the form of a severance payment upon voluntary termination of employment. The College accrues the expected cost of this benefit over the years that the faculty members render service.

Admissions and Enrollment

The College reports that as more electronic applications have been received, the matriculation rate has changed as a natural consequence to having a more diverse universe of applicants.

Academic Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Freshman Admissions Data						(see note below)
Applications Received	18,402	15,275	16,563	15,270	13,235	5,697
Applications Completed	10,894	9,276	9,932	9,630	8,427	4,178
Acceptances	7,927	6,860	7,302	6,946	5,694	3,442
Acceptance Rate – Received	43%	45%	44%	45%	43%	60%
Acceptance Rate – Completed	73%	74%	74%	72%	68%	82%
Matriculations	1,179	1,135	1,070	1,088	898	902*
Matriculation Rate	15%	17%	15%	16%	16%	26%*
Average SAT Scores	1,043	1,045	1,050	1,050	1,058	N/A
FTE Graduate Students	138	143	133	119	113	N/A
Total FTE Enrollment	5,093	4,952	4,790	4,663	4,362	N/A

* Represents number of students who have made deposits for the 2016/2017 academic year as of June 12, 2016.

The decrease in applications received for academic year 2016/2017 was in large part due to a change in admissions philosophy and process. The College sought to improve the efficiency of its admissions process by expending resources on potential applicants that had the highest probability of enrolling at the College. This relationship management based approach intentionally reduced the number of applicants who were unlikely to enroll at the College thereby enabling the admissions staff to focus their time and efforts on developing relationships with, and securing completed applications and deposits from students who showed interest in attending the College.

This approach, along with improving the leverage of the College's financial aid offerings, has led to a calculated matriculation rate (based on net deposits) of over 26%, significantly higher than matriculation rates of previous years. The College continues to engage its incoming freshmen class to ensure that students who have made deposits will matriculate in the fall 2016.

Demographics

The table below shows first-time, full-time freshman demographics for the past 5 fiscal years.

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Pennsylvania	45%	46%	53%	55%	61%
Maryland	19%	22%	21%	22%	18%
New Jersey	18%	16%	11%	9%	10%
New York	10%	9%	8%	8%	6%
Other	8%	7%	7%	6%	5%

Residential vs. Commuter Population & Housing Availability

	2011-12	2012-13	2013-14	2014-15	2015-16
Full-Time Undergraduate Students	4,669	4,561	4,407	4,335	4,072
Full-Time Undergraduate Commuters	1,324	1,199	1,093	1,064	1,019
% Commuters	28.4%	26.3%	24.8%	24.5%	25.0%
Housing Requirements	3,345	3,362	3,314	3,271	3,053
Housing Availability	2,575	2,575	2,575	2,575	2,575
*Number of Students permitted to reside off-campus	770	787	739	696	478

* The College has a four-year residence requirement.

Full-Time Undergraduate and Graduate Tuition, Fees, Room & Board

The following table shows full-time undergraduate tuition, fees, and room and board charges, and full-time graduate tuition and fees, for each of the last five fiscal years.

	2011/12	2012/13	2013/14	2014/15	2015/16
Tuition	$14,320	$14,900	$15,350	$15,920	$16,480
Fees	1,560	1,620	1,660	1,710	1,760
Room & Board	8,920	9,300	9,580	9,870	10,160
Total Undergraduate Tuition & Fees	$24,800	$25,820	$26,590	$27,500	$28,400
Graduate Tuition & Fees	$13,620	$14,130	$14,530	$15,030	$15,530

Student Financial Aid

The majority of full-time students received financial aid for the 2015-16 academic year. Assistance supplements the contribution that a student and his or her family make toward the educational fees. Financial aid packages consist of federal and state grants and loans, institutional grants and scholarships, work-study opportunities, and outside grants and scholarships.

Competition

The following table lists the total tuition, room, and board rates for fall of 2015 for the public and private colleges and universities that, in the view of College management, primarily competed with the College for qualified students.

Institution	State	Overlap in SAT Scores Sent	In-State	Out-of-State
York	**PA**	**without benefit of tuition discounting**	**$28,400**	**$28,400**
York	**PA**	**with the benefit of avg. York discount**	**$19,300**	**$19,300**
Penn State	PA	18%	$28,434	$42,266
Towson	MD	13%	$20,820	$32,426
West Chester	PA	10%	$22,242	$32,832
Salisbury	MD	9%	$20,096	$28,442
Bloomsburg	PA	8%	$17,806	$28,396
Temple	PA	8%	$26,834	$37,140
Delaware	DE	8%	$24,666	$43,566
Maryland	MD	8%	$20,968	$42,116
Millersville	PA	7%	$23,106	$32,296
Stevenson*	MD	7%	$45,870	$45,870

Source: Collegeboard.org

* Private Institution Competitor

Summary Financial Operations

For the fiscal years ended June 30, 2015, 2014, 2013, 2012, and 2011, the financial information presented below has been derived from the audited financial statements of the College. In the opinion of College management, there has been no material adverse change in the financial condition of the College since June 30, 2015, the date of the last audited financial statements.

REVENUES	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Gross tuition and fees	$ 79,793	$ 84,459	$ 85,438	$ 85,605	$ 86,319
Less: scholarship expense	(12,227)	(13,457)	(15,053)	(16,821)	(18,381)
Net tuition and fees	67,566	71,002	70,385	68,784	67,938
Auxiliary enterprises	23,743	26,682	27,324	28,067	29,271
Private gifts and grants	1,500	1,496	2,422	2,356	2,248
Government grants	3,139	1,376	1,285	1,283	1,188
Investment return designated for operations	2,896	2,762	2,923	3,061	3,117
Short-term investment income	298	319	294	293	333
Other income	655	622	679	620	574
Total revenues	**99,797**	**104,259**	**105,312**	**104,464**	**104,669**
EXPENSES					
Instructional	38,010	39,619	41,461	41,590	41,270
Public service	392	426	335	461	354
Academic support	9,165	9,564	9,565	10,062	10,262
Student services	9,442	9,592	10,224	10,335	10,337
Institutional support	12,396	12,858	13,218	13,574	14,440
Auxiliary enterprises	20,547	23,527	23,409	23,556	23,636
Total expenses	**89,952**	**95,586**	**98,212**	**99,578**	**100,299**
Change in operating net assets	9,845	8,673	7,100	4,885	4,370
Change in non-operating net assets	31,272	(288)	15,111	29,164	8,970
Total change in net assets	**41,117**	**8,385**	**22,211**	**34,049**	**13,340**
Net assets: beginning of year	**219,041**	**260,158**	**268,543**	**290,754**	**324,803**
Net assets: end of year	**$ 260,158**	**$ 268,543**	**$ 290,754**	**$ 324,803**	**$ 338,143**

Long-Term Investments

As of March 31, 2016 (the estimated value of which is shown below), approximately 77% of the College's endowment/long term investments were unrestricted.

Year	Long-Term Investments Market Value
FY 2011	$119,090,251
FY 2012	$119,601,080
FY 2013	$136,370,282
FY 2014	$164,515,970
FY 2015	$171,597,387
3/31/2016	$170,271,162

Fundraising

York College has an integrated advancement operation, including a comprehensive development program and a full-service alumni relations program. Performance of the division has increased dramatically in the past ten years.

Recent Capital Campaign. "***A Time to Act"***, the College's last comprehensive campaign, completed in 2009, secured $18.7 million in gifts, pledges and other commitments, well in excess of the $16.0 million goal. The lead gift to the campaign was $2.5 million.

Young Alumni. The demographics of the York College alumni body bode well for the future of the program. More than 50% of all College alumni graduated since 1990. As the College's still young alumni body matures, the College believes that they will develop the capacity to support their alma mater with greater gifts.

"Strategic Initiatives" - Project Specific Capital Campaigns. Within the Life Science and Nursing departments, $7.8 million has been raised to support capital improvements, programs, and scholarships. Within the Business Administration department, $14.5 million has been raised to support capital improvements, programs, and scholarships as well. $9.5 million has been raised thus far for proposed improvements for York Country Day School, an affiliate institution of the College.

Annual Giving. The College Fund saw an increase in annual giving in 2014-2015 over the previous year, raising over $1.7 million. During the 2015 academic year, the College added 292 new alumni donors, reclaimed 540 lapsed alumni donors, retained 487 alumni donors at their previous levels, and upgraded the gifts of 683 alumni donors. The College successfully launched "GO GREEN", a national day of giving to boost alumni participation.

Testamentary Commitments. Testamentary commitments to the College currently include the Huber Foundation, the Legacy Society, and other meaningful bequests.

The table below shows the total giving (cash) to the College for the past ten years, including gifts to York Country Day School since 2012:

	Cash Given
FY 2006	$4,716,909
FY 2007	$4,783,245
FY 2008	$4,198,108
FY 2009	$3,396,981
FY 2010	$4,866,275
FY 2011	$7,504,278
FY 2012	$7,768,649
FY 2013	$6,198,572
FY 2014	$8,808,347
FY 2015	$10,153,062

Litigation

The College, like other similar institutions, is subject to a variety of suits and proceedings arising in the ordinary course of business. In the opinion of the College, there is no litigation of any nature pending or threatened wherein an unfavorable decision would have a material adverse impact on the financial condition of the College.

Insurance Coverage

Currently the College maintains insurance coverage for many purposes, including the following:

- Buildings and Personal Property: $338,551,688
- Earthquake: $25,000,000
- Flood: $25,000,000 with limitations on certain properties
- Commercial General Aggregate: $5,000,000
- Boiler and Machinery: $100,000,000 (limit)
- Automobile: $1,000,000
- Commercial Excess Liability: 1st Layer: $10,000,000; 2nd Layer: $25,000,000
- Crime: Computer Fraud, Funds Transfer, Sexual Abuse – various levels of coverage
- Pollution Liability Aggregate: $20,000,000

Accounting Matters

Potential purchasers of the College's Bonds should read the College's audited financial statements for the year ended June 30, 2015, which are included in Appendix B to this Official Statement, in their entirety for more complete information regarding the College's financial position.

In the opinion of the administration of the College, there has been no material adverse change in the financial condition of the College since June 30, 2015, the most recent date for which audited financial statements are published.

College Indebtedness

The table below illustrates the College's fiscal year estimated debt service requirements after issuance of the Series 2016 Bonds.

Fiscal Year Ended	Series 2016 OO3	Series 2011 II	Series 2014 T2	Series 2014 T3	Series 2014 T4	Series 2015 NN2	TOTAL
06/30/2017	393,984.17	1,403,518.76	430,800.00	315,902.50	699,300.00	968,925.00	4,212,430.43
06/30/2018	469,650.00	1,407,025.01	565,912.50	313,135.00	692,800.00	1,289,050.00	4,737,572.51
06/30/2019	469,650.00	1,403,953.13	595,050.00	424,637.50	681,250.00	2,065,800.00	5,640,340.63
06/30/2020	469,650.00	1,403,975.00	518,087.50	418,862.50	764,700.00	2,072,425.00	5,647,700.00
06/30/2021	469,650.00	1,407,050.00	547,912.50	413,087.50	755,537.50	2,070,925.00	5,664,162.50
06/30/2022	469,650.00	1,403,337.50	576,637.50	407,312.50	741,237.50	2,071,300.00	5,669,475.00
06/30/2023	469,650.00	1,405,437.50	604,262.50	401,537.50	726,937.50	2,073,300.00	5,681,125.00
06/30/2024	469,650.00	1,403,487.50	635,787.50	395,762.50	712,637.50	2,066,925.00	5,684,250.00
06/30/2025	469,650.00	1,404,975.00	666,075.00	389,987.50	698,337.50	2,067,050.00	5,696,075.00
06/30/2026	469,650.00	1,404,762.50	600,125.00	384,212.50	784,037.50	2,063,425.00	5,706,212.50
06/30/2027	469,650.00	1,407,675.00	535,550.00	378,437.50	866,987.50	2,063,050.00	5,721,350.00
06/30/2028	469,650.00	1,403,712.50	567,350.00	372,662.50	847,187.50	2,066,975.00	5,727,537.50
06/30/2029	868,575.00	1,407,750.00	507,912.50	466,887.50	827,387.50	2,064,325.00	6,142,837.50
06/30/2030	876,125.00	1,404,650.00	549,712.50	458,362.50	807,587.50	2,072,643.75	6,169,081.25
06/30/2031	873,225.00	1,404,387.50	-	1,139,837.50	887,787.50	2,012,681.25	6,317,918.75
06/30/2032	879,875.00	1,406,675.00	-	1,012,337.50	965,237.50	2,084,287.50	6,348,412.50
06/30/2033	876,075.00	1,406,243.75	-	1,287,587.50	744,937.50	2,060,437.50	6,375,281.25
06/30/2034	871,975.00	1,403,087.50	-	2,039,587.50	-	-	4,314,650.00
06/30/2035	5,048,900.00	1,407,056.25	-	-	-	-	6,455,956.25
06/30/2036	5,049,825.00	1,403,006.25	-	-	-	-	6,452,831.25
06/30/2037	3,440,850.00	1,405,793.75	-	-	-	-	4,846,643.75
06/30/2038	-	1,405,131.25	-	-	-	-	1,405,131.25
06/30/2039	-	1,405,875.00	-	-	-	-	1,405,875.00
06/30/2040	-	1,407,737.50	-	-	-	-	1,407,737.50
06/30/2041	-	1,405,575.00	-	-	-	-	1,405,575.00
06/30/2042	-	1,404,243.75	-	-	-	-	1,404,243.75
Total	**$24,345,559.17**	**$36,536,121.90**	**$7,901,175.00**	**$11,020,137.50**	**$13,203,887.50**	**$33,233,525.00**	**$126,240,406.07**

Note: Estimated future variable (multi-mode) rates associated with the Series 2014 T2, Series 2014 T3, and Series 2014 T4 Bonds have been assumed in the above table at 2.75%.

Management's Discussion

York College of Pennsylvania has evolved to become a full-fledged, professionally oriented, liberal arts, residential college. The College's academic and co-curricular programs are well positioned to meet the demands of today's students. The results of its focus on experiential learning and professionalism have continued to enhance the College's reputation. The College has received national recognition for its 2010 – 2015 national surveys on professionalism, sponsored by its Center for Professional Excellence. The Center for Professionalism Excellence provides an important resource in developing professional graduates in all fields of study. The Center mirrors the mission and core values of the College which include providing a high quality liberal arts education with experiential learning opportunities in its professionally oriented programs at an affordable price.

The College has been able to both modernize its campus and maintain its affordable price through its commitment to fiscal responsibility. Over the past ten years, the College has invested approximately $236 million in capital expenditures. Of this amount, approximately $69 million was funded through the issuance of debt, almost entirely for new dormitories that generate revenue to fund the related debt service. Of the remaining capital expenditures, approximately $36 million was funded through gifts and grants while the remainder of approximately $131 million was funded through operating cash.

Throughout this time, the College has been able to maintain its relatively low price, particularly for a private 4-year institution of higher learning. Total tuition, fees, room and board for incoming freshman for the fall of 2015, before discounting, was $28,400. The College maintains its relatively low cost principally through the teaching load of its dedicated faculty, the strategic use of adjunct faculty and a lean administrative staff.

York College of Pennsylvania has thrived because it has embraced innovation and change and has dedicated itself to the service of its students. Little known outside of South Central Pennsylvania 30 years ago, the College is now rated as one of the best values in higher education in the Northeast. It attracts faculty from some of the best graduate schools in the country and outstanding students from an expanded geographic area. The College continues to receive very positive rankings in national publications including U.S. News Best Colleges, and was recently chosen as one of the Princeton Review's Best Regional Colleges. The College is consistently noted as an excellent value.

The College is now the eighth largest undergraduate private college in Pennsylvania. Total full-time equivalent undergraduate enrollment was 4,248 in the fall of 2015. York College of Pennsylvania has experienced a significant shift in the ratio of part-time to full-time students. In approximately the last 20 years, the College has moved from being evenly split between full-time and part-time students to being predominantly attended by full-time students of traditional college age. The proportion of total enrollment accounted for by full-time students has surged from 56% to 90% over approximately the last 20 years. The College has experienced a 47% increase in residential students over the past 15 years and currently has a residential capacity of 2,575 beds.

Like many institutions of higher education, York College of Pennsylvania has had a modest decline in undergraduate full-time equivalent enrollment over the last several years. Enrollment remains at a healthy level (4,248 undergraduate FTE in fall 2015) and the College generated approximately $4.4 million and $13.6 million in "Change in Net Assets from Operations" and "Net Cash Provided by Operating Activities", respectively, for the year ended June 30, 2015.

The College has sought to improve the efficiency of its admissions process by expending resources on potential applicants that have the highest probability of enrolling at the College. This customer relationship management based approach intentionally reduces the number of applicants who were unlikely to enroll at the College thereby enabling the admissions staff to focus their time and efforts on developing relationships with, and securing completed applications and deposits from students who showed interest in attending the College.

This approach, along with improving the leverage of the College's financial aid offerings, has led to a calculated matriculation rate for fall 2016 (based on net deposits) of over 26%, significantly higher than matriculation rates of previous years. The College continues to engage its incoming freshmen class to ensure that students who have made deposits will matriculate in the fall 2016.

The College is currently projecting approximately 4,047 undergraduate FTE for fall 2016. The College has actively taken steps to reduce operating expenses to largely mitigate the enrollment decline. The College has also implemented admissions initiatives to increase applications and acceptances and yield while maintaining its academic standards and its relationship management based approach to admissions.

Key initiatives include a robust marketing campaign to increase awareness, name recognition and campus visits, expanding the direct mailing campaign to include a broader geographic area and new markets, and continuing to improve its relationship management focus of admissions particularly through data-driven territory plans, increased sales training and increased student outreach throughout the entire calendar year. The College is confident that its value proposition will deeply resonate with prospective students through the implementation of these initiatives.

The College recognizes the need to continue its evolution to focus on preparing outstanding professional graduates in all fields of study. As noted above, the College has made dramatic capital improvements to its campus, including the completion of a state-of-the art sports and recreation center, a performing arts center, new and renovated academic spaces and the construction of additional dormitories. The College is both well positioned and committed to the resources necessary to continuously provide a broad based education focused on the intellectual, social and physical development of young people.

Faculty Recognition Garden

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF YORK COLLEGE OF PENNSYLVANIA FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

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Financial Statements and Report of
Independent Certified Public Accountants

York College of Pennsylvania

June 30, 2015 and 2014

Contents

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Report of Independent Certified Public Accountants

Board of Trustees
York College of Pennsylvania

Report on the financial statements
We have audited the accompanying financial statements of York College of Pennsylvania (the "College"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility 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; this includes 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.

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of York College of Pennsylvania as of June 30, 2015 and 2014, 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.

Grant Thornton LLP

Philadelphia, Pennsylvania

October 26, 2015

York College of Pennsylvania

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS	2015	2014
Cash and cash equivalents	$ 15,765,429	$ 8,385,054
Restricted cash and cash equivalents	3,882,072	3,888,279
Accounts and grants receivable (less provision for uncollectible accounts of $1,148,645 in 2015 and $1,100,810 in 2014)	1,263,505	2,919,702
Inventory	751,228	701,506
Prepaid expenses and other assets	2,201,630	2,317,393
Investments	171,597,387	164,515,970
Contributions receivable, net	9,904,970	10,656,198
Student loans receivable	209,950	214,650
Funds held in trust by others	8,541,934	5,622,933
Property and equipment, net	237,417,436	243,249,046
Total assets	$ 451,535,541	$ 442,470,731
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 3,585,809	$ 3,138,838
Students' advance payments and deposits	3,911,736	8,057,092
Accrued salaries and benefits and other liabilities	5,627,403	5,955,840
Annuities payable	1,174,537	875,274
Advances from federal government	389,339	389,339
Deposits held in custody for others	10,337	4,594
Deferred compensation	8,034,926	8,480,933
Notes payable	1,936,426	89,942
Bonds payable	88,722,136	90,675,565
Total liabilities	113,392,649	117,667,417
Net assets		
Unrestricted:		
Net investment in plant and equipment	150,834,498	156,686,205
Quasi-endowment	43,669,094	44,196,427
College loan funds	54,850	54,850
Designated for operations	672,891	72,668
Designated for capital projects	85,161,959	71,186,860
Total unrestricted	280,393,292	272,197,010
Temporarily restricted	23,905,867	22,583,438
Permanently restricted	33,843,733	30,022,866
Total net assets	338,142,892	324,803,314
Total liabilities and net assets	$ 451,535,541	$ 442,470,731

The accompanying notes are an integral part of these financial statements.

York College of Pennsylvania

STATEMENT OF ACTIVITIES

Year ended June 30, 2015

(with comparative totals for June 30, 2014)

	2015				2014
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Total
Revenues, gains and other support					
Tuition and fees	$ 86,318,897	$ -	$ -	$ 86,318,897	$ 85,604,556
Scholarship allowances	(18,380,407)	-	-	(18,380,407)	(16,820,608)
Net tuition revenues	67,938,490	-	-	67,938,490	68,783,948
Contributions	669,246	1,578,666	-	2,247,912	2,355,694
Government grants and contracts	1,187,874	-	-	1,187,874	1,283,414
Investment return designated for operations	1,962,630	1,154,416	-	3,117,046	3,061,099
Interest income	333,067	-	(33)	333,034	292,601
Other income	423,175	150,588	-	573,763	620,301
Sales and services of auxiliary enterprises	29,270,854	-	-	29,270,854	28,066,640
Net assets released from restrictions	4,192,595	(4,192,595)	-	-	-
Total operating revenues	105,977,931	(1,308,925)	(33)	104,668,973	104,463,697
Operating expenses					
Educational and general					
Instructional	41,269,841	-	-	41,269,841	41,590,252
Public service	353,777	-	-	353,777	460,600
Academic support	10,262,479	-	-	10,262,479	10,062,116
Student services	10,337,487	-	-	10,337,487	10,334,739
Institutional support	14,439,680	-	-	14,439,680	13,574,482
Total educational and general expenses	76,663,264	-	-	76,663,264	76,022,189
Auxiliary enterprises	23,636,179	-	-	23,636,179	23,556,159
Total operating expenses	100,299,443	-	-	100,299,443	99,578,348
Change in net assets from operations	5,678,488	(1,308,925)	(33)	4,369,530	4,885,349
Net nonoperating revenues					
Investment return, net of amount designated for operations	2,137,969	(138,905)	(200,906)	1,798,158	21,583,902
Contributions for long-term investments, net of write-offs	379,825	2,770,259	4,021,806	7,171,890	7,579,709
Total net nonoperating revenues	2,517,794	2,631,354	3,820,900	8,970,048	29,163,611
Change in net assets	8,196,282	1,322,429	3,820,867	13,339,578	34,048,960
Net assets, beginning of year	272,197,010	22,583,438	30,022,866	324,803,314	290,754,354
Net assets, end of year	$ 280,393,292	$ 23,905,867	$ 33,843,733	$ 338,142,892	$ 324,803,314

The accompanying notes are an integral part of this financial statement.

York College of Pennsylvania

STATEMENT OF ACTIVITIES

Year ended June 30, 2014

(with comparative totals for June 30, 2013)

	2014				2013
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Total
Revenues, gains and other support					
Tuition and fees	$ 85,604,556	$ -	$ -	$ 85,604,556	$ 85,438,233
Scholarship allowances	(16,820,608)	-	-	(16,820,608)	(15,053,436)
Net tuition revenues	68,783,948	-	-	68,783,948	70,384,797
Contributions	650,302	1,705,392	-	2,355,694	2,422,140
Government grants and contracts	1,283,414	-	-	1,283,414	1,285,716
Investment return designated for operations	1,886,399	1,174,700	-	3,061,099	2,922,634
Interest income	292,634	-	(33)	292,601	294,405
Other income	457,023	163,278	-	620,301	678,667
Sales and services of auxiliary enterprises	28,066,640	-	-	28,066,640	27,323,461
Net assets released from restrictions	4,733,237	(4,733,237)	-	-	-
Total operating revenues	106,153,597	(1,689,867)	(33)	104,463,697	105,311,820
Operating expenses					
Educational and general					
Instructional	41,590,252	-	-	41,590,252	41,460,514
Public service	460,600	-	-	460,600	335,354
Academic support	10,062,116	-	-	10,062,116	9,565,131
Student services	10,334,739	-	-	10,334,739	10,224,196
Institutional support	13,574,482	-	-	13,574,482	13,217,546
Total educational and general expenses	76,022,189	-	-	76,022,189	74,802,741
Auxiliary enterprises	23,556,159	-	-	23,556,159	23,409,041
Total operating expenses	99,578,348	-	-	99,578,348	98,211,782
Change in net assets from operations	6,575,249	(1,689,867)	(33)	4,885,349	7,100,038
Net nonoperating revenues					
Investment return, net of amount designated for operations	17,396,092	3,830,940	356,870	21,583,902	12,553,969
Contributions for long-term investments, net of write-offs	144,863	4,541,019	2,893,827	7,579,709	2,557,730
Total net nonoperating revenues	17,540,955	8,371,959	3,250,697	29,163,611	15,111,699
Change in net assets	24,116,204	6,682,092	3,250,664	34,048,960	22,211,737
Net assets, beginning of year	248,080,806	15,901,346	26,772,202	290,754,354	268,542,617
Net assets, end of year	$ 272,197,010	$ 22,583,438	$ 30,022,866	$ 324,803,314	$ 290,754,354

The accompanying notes are an integral part of this financial statement.

York College of Pennsylvania

STATEMENTS OF CASH FLOWS

Year ended June 30,

	2015	2014
Cash flows from operating activities		
Change in net assets	$ 13,339,578	$ 34,048,960
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,667,488	10,914,228
Loss on disposition of assets	762,702	35,201
Net realized and unrealized gains on investments	(4,399,257)	(24,390,701)
Sale of donated investments	208,272	205,216
Gifts for long-term investment	(4,894,384)	(3,786,323)
Provision for bad debts	46,111	85,614
Conditional asset retirement obligation	1,263	58,115
Loss on bond refunding	-	106,202
Changes in assets and liabilities:		
Accounts and grants receivable	1,610,086	(1,593,292)
Inventory	(49,722)	39,018
Prepaid expenses and other assets	15,290	28,790
Contributions receivable	751,228	(2,437,686)
Accounts payable	470,071	(89,701)
Students' advance payments and deposits	(4,145,356)	764,471
Accrued salaries and benefits and other liabilities	(329,699)	1,294,370
Deposits held in custody for others	5,744	(12,523)
Deferred compensation	(446,007)	(1,420,488)
Net cash provided by operating activities	13,613,408	13,849,471
Cash flows from investing activities		
Purchases of property and equipment	(6,287,118)	(9,544,046)
Change in restricted cash	6,207	793,092
Sales of investments	29,278,680	24,421,900
Purchase of investments	(31,754,058)	(28,329,466)
Student loans granted	(25,000)	(31,991)
Payments on student loans receivable	29,700	36,296
Net cash used in investing activities	(8,751,589)	(12,654,215)
Cash flows from financing activities		
Gifts received for long-term investment	1,560,329	3,786,323
Change in annuities payable	299,263	210,826
Proceeds from note issuance	2,283,964	-
Proceeds from bond issuance	-	26,830,707
Bond issuance costs	-	(382,315)
Payments made on bonds payable	(1,625,000)	(29,220,000)
Net cash provided by financing activities	2,518,556	1,225,541
Net increase in cash and cash equivalents	7,380,375	2,420,797
Cash and cash equivalents, beginning	8,385,054	5,964,257
Cash and cash equivalents, ending	$ 15,765,429	$ 8,385,054
Supplemental disclosure of cash flow information		
Cash paid during the year for interest, net of amounts capitalized	$ 3,703,148	$ 3,580,188
Supplemental disclosure of noncash investing activities		
Fixed assets in accounts payable	$ 166,445	$ 189,548

The accompanying notes are an integral part of these financial statements.

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Operations

York College of Pennsylvania (the "College") is an independent, comprehensive college, offering Associate, Baccalaureate, Master's and Doctorate degrees. The College is accredited by the Middle States Commission of Higher Education. York Country Day School (the "Day School"), a part of the College, is a college preparatory school enrolling students from pre-school through grade twelve and is accredited by the National Association of Independent Schools.

The College awards grants-in-aid and scholarships to individuals who meet the College's academic standards. The amounts of such awards are determined primarily based upon the merit or financial needs of each applicant. Additional financial aid is provided to students from federal and state programs in which the College participates and from monies contributed to the College by alumni and friends of the College.

During the years ended June 30, 2015 and 2014, the College and external resources provided student financial aid of approximately $18,380,000 and $16,821,000, respectively, which represented approximately 21.3% and 19.6% of gross tuition and fee revenues for 2015 and 2014, respectively.

2. Basis of Presentation

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Not-for-profit accounting standards require the reporting of total assets, liabilities, and net assets in a statement of financial position; reporting the change in net assets in a statement of activities; and reporting the sources and uses of cash and cash equivalents in a statement of cash flows. Net assets, revenues and gains, and expenses and losses are classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor-imposed restrictions as follows:

Permanently restricted - Net assets whose use by the College is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the College.

Temporarily restricted - Net assets whose use by the College are subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. Since endowment net realized and unrealized gains may eventually be spent by the College, such gains are recorded in the financial statements as temporarily restricted net assets until transferred to unrestricted net assets.

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

(Continued)

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

3. Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with market rates at the time of the contributed pledge. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of the fund-raising activity.

4. Cash and Cash Equivalents

The College considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents, consisting of demand deposits with banks, certificates of deposit, and money market funds.

Restricted cash and cash equivalents are primarily deposits with trustees related to various bond issues.

5. Accounts Receivable

Accounts receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based on the College's historical losses and periodic review of individual accounts.

6. Inventories

Inventories are stated at the lower of first-in, first-out ("FIFO") cost or market value and consist of books and other merchandise for students.

7. Investments and Investment Risk

Investments are recorded at fair value.

Realized gains and losses arising from the sale of investments and ordinary income from investments are reported as changes in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor-imposed stipulations. Purchases and sales of investments are recorded on a trade-date basis.

(Continued)

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The College maintains a portfolio of diversified investments, managed by investment advisors, with a financial objective to provide ongoing financial support to the College while preserving the purchasing power of the investments over the long term. The fair values reported in the statement of financial position are exposed to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying financial statements could change materially in the near term.

8. Funds Held in Trust by Others

Funds held in trust by others represent the College's share of these funds based on the terms of the various irrevocable trusts. These funds are neither in the possession, nor under the control, of the College. Such terms provide that the College is to receive annually a certain percentage of the income earned by the funds which are held in trust. The present values of the estimated future cash flows from the trusts are recognized as assets and contribution revenues at the dates the trusts are established. Distributions from the trusts are recorded as other investment income, and the carrying value of the assets is adjusted for changes in the estimates of future receipts. Because of the permanent right of the College to its share of the trusts' earnings, the College reports its share of these trusts on its financial statements as funds held in trust by others.

9. Property and Equipment

Property and equipment are stated at cost at date of acquisition. The purchase of library books and other related material is expensed as incurred. Donations of land, buildings, and equipment are capitalized and recorded as support at their fair value. Such donations are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the College reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Depreciation is recorded over the estimated useful lives of the assets using the straight-line method. Buildings and improvements are depreciated between 10 - 40 years and equipment and vehicles are depreciated between 3 - 20 years.

During the years ended June 30, 2015 and 2014, the College capitalized net interest incurred for certain building construction of $-0- and $63,323, respectively. Interest is amortized on a straight-line basis, which approximates the effective interest method, over the life of the building.

At each statement of financial position date, management evaluates whether any property and equipment have been impaired. During the years ended June 30, 2015 and 2014, the College disposed of certain other equipment items that were fully depreciated totaling $4,559,397 and $6,568,450, respectively. In 2015, the College recognized the impairment of the design of the day school project of $762,702. This charge is included in institutional support on the statement of activities. In 2014, the College demolished one building, incurring a loss of $6,405, and disposed of one vehicle, incurring a loss of $28,796. There were no impairments at June 30, 2014.

(Continued)

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

10. Deferred Financing Costs

Costs incurred in connection with debt financing are deferred and amortized over the term of the related debt using the straight-line method, which approximates the effective interest method. Amortization expense was $100,473 in 2015 and $158,343 in 2014 and is included in auxiliary enterprises expense on the statements of activities. During the year ended June 30, 2014, the College wrote off $411,511 of deferred costs as a result the refunding of certain debt issuances and deferred $151,811 related to new debt issuances. The amortization of such costs is included in the statements of activities. Also see Note H. Unamortized deferred debt costs were $1,179,328 and $1,279,801 as of June 30, 2015 and 2014, respectively, and are classified as prepaid expenses and other assets on the statements of financial position.

11. Students' Advance Payments and Deposits

Tuition, fees, and room and board from currently enrolled students is billed in advance and is recognized as revenue when earned.

12. Conditional Asset Retirement Obligation

The College considers a conditional asset retirement an obligation that includes a legal obligation associated with the retirement of a tangible long-lived asset in which the timing and/or method of settling the obligation is conditional on a future event that may or may not be within the control of the College. Recognition of a liability is required for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated, even if conditional on a future event. The College records the fair value of a liability for a legal obligation associated with an asset retirement in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized. At June 30, 2015, the conditional asset retirement obligation was $350,887. At June 30, 2014, the conditional asset retirement obligation was $349,626. The liability is recorded as a component of accrued salaries and benefits and other liabilities in the statements of financial position.

13. Split-Interest Agreements and Annuities Payable

The College's split-interest agreements with donors consist primarily of annuities and life income. Principally all assets held as part of these agreements are included in investments. Contribution revenues are recognized at the date the agreements are established after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. The liabilities are adjusted during the term of the agreements for changes in the estimated present value of future cash outflows. The annuities payable represent the net present value of future cash outflows over the annuitant's life expectancy as required by the annuity agreement. Discount rates are set when the annuity agreement is established and range from 2% to 7% to calculate the future net cash flows of the annuity obligations.

(Continued)

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

14. Advances from Federal Government

Funds provided by the United States Government under the Federal Perkins Loan Program and Nursing Student Loan Program are loaned to qualified students and may be re-loaned after collections. These funds are ultimately refundable to the government and are reported as a long-term liability.

15. Deferred Compensation

The College provides deferred compensation to full-time faculty members in the form of a severance payment upon voluntary termination of employment. The College accrues the expected cost of this benefit over the years that the faculty members render service. Additionally, all senior administrators are eligible to participate in a supplemental 457(f) plan.

16. Income Taxes

The College is organized under Internal Revenue Code (the "Code") Section 501(c)(3), and therefore is exempt from income taxes on activities related to its exempt purpose. In addition, the College has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code.

The College accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2015 and 2014.

The College's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. No interest or penalties were recognized in 2015 or 2014.

The College's federal Exempt Organization Business Income Tax Returns for the fiscal years ended June 30, 2014, 2013, and 2012 remain subject to examination by the Internal Revenue Service.

17. Allocation of Certain Expenses

The statement of activities presents expenses by functional classification. Operation and maintenance of plant and depreciation are allocated based on square footage.

18. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes the estimates and assumptions used in the preparation of these financial statements are reasonable, based upon currently available facts and circumstances.

(Continued)

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

19. Nonoperating Activities

Nonoperating activities reflect realized gains and losses on investments, unrealized gains and losses on investments, dividends and interest income related to long-term investments, changes in value of split-interest agreements, and contributions for long-term investments.

20. Government Grants and Contracts

Operating funds designated by government funding agencies for particular operating purposes are deemed to be earned and reported as revenues when the College has incurred expenditures in compliance with the contract.

NOTE B - ACCOUNTS AND GRANTS RECEIVABLE

Accounts receivable represent amounts due for tuition, fees, and room and board from currently enrolled and former students and other receivables generated in the normal course of business. The College extends unsecured credit to certain students and parents of dependent students in connection with their studies. Some of those students are no longer enrolled or have completed their degrees.

As of June 30, 2015 and 2014, the College had receivables related to amounts due from certain vendors of $93,830 and $286,397, respectively.

Accounts and grants receivable consisted of the following at June 30:

	2015	2014
Accounts receivable	$ 2,318,320	$ 3,734,115
Less: provision for uncollectible accounts	(1,148,645)	(1,100,810)
Total student accounts receivable	1,169,675	2,633,305
Other receivable	93,830	286,397
Total accounts and grants receivable	$ 1,263,505	$ 2,919,702

NOTE C - INVESTMENTS

A summary of investments at June 30 follows:

	2015	2014
U.S. equity funds	$ 43,829,193	$ 43,869,596
Diversifying equity funds	44,490,624	43,083,358
Non U.S. equity funds	38,586,045	39,044,584
U.S. government obligations	18,876,412	16,830,694
Private equity and venture capital	11,838,388	9,812,220
Real estate securities	5,376,031	5,512,242
Diversifying bond funds	4,914,291	4,978,459
Money markets	3,541,488	1,239,923
Other	144,915	144,894
	$ 171,597,387	$ 164,515,970

The College incurred approximately $2,400,000 and $2,200,000 in investment management and advisor fees during the years ended June 30, 2015 and 2014, respectively. These fees are netted against investment income in the statements of activities. Fees for certain diversifying equity managers include incentive fees based on surpassing defined performance levels. Such fees were approximately $1,200,000 in 2015 and $900,000 in 2014.

Investments have been restricted by donors or designated by the College for the following purposes:

	2015	2014
Plant funds	$ 89,447,823	$ 83,449,738
Endowment and similar funds	82,102,816	81,016,922
Student loans	46,748	49,310
	$ 171,597,387	$ 164,515,970

The College's principal financial instruments subject to credit risk are its investments. The investments are managed by professional advisors subject to the College's investment policy. The degree and concentration of credit risk varies by type of investment.

(Continued)

NOTE C - INVESTMENTS - Continued

The College uses the total return concept for endowment funds. Under this concept, endowment income to be distributed is principally established as a percentage of the three-year annual moving average market value of the pooled endowment assets. Based on this formula and a 5.0% return factor, the total distributable income for each of the years ended June 30, 2015 and 2014 was approximately $3,100,000. The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30, 2015 and 2014:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends and interest, net	$ 401,238	$ 114,709	$ -	$ 515,947
Net realized and unrealized gains	3,699,361	900,802	(200,906)	4,399,257
Return on long-term investments	4,100,599	1,015,511	(200,906)	4,915,204
Investment return designated for current operations	1,962,630	1,154,416	-	3,117,046
Investment return net of amount designated for current operations	$ 2,137,969	$ (138,905)	$ (200,906)	$ 1,798,158

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends and interest, net	$ 200,637	$ 53,663	$ -	$ 254,300
Net realized and unrealized gains	19,081,854	4,951,977	356,870	24,390,701
Return on long-term investments	19,282,491	5,005,640	356,870	24,645,001
Investment return designated for current operations	1,886,399	1,174,700	-	3,061,099
Investment return net of amount designated for current operations	$ 17,396,092	$ 3,830,940	$ 356,870	$ 21,583,902

NOTE D - CONTRIBUTIONS

Contributions receivable at June 30 follows:

	2015	2014
Unconditional promises expected to be collected in:		
Less than one year	$ 3,657,223	$ 2,667,453
One year to five years	5,559,759	7,171,626
Over five years	3,000,000	3,000,000
	12,216,982	12,839,079
Less: unamortized discounts and allowance on contributions receivable	(2,312,012)	(2,182,881)
	$ 9,904,970	$ 10,656,198

Contributions receivable over more than one year are discounted using an appropriate discount rate ranging from 0.23% to 5.12% applicable to the year in which the pledge was received. The discounted allowance for doubtful accounts on contributions receivable totaled $476,030 and $503,684 as of June 30, 2015 and 2014, respectively.

NOTE E - STUDENT LOANS RECEIVABLE

Student loans are made with funds advanced to the College by the federal government under the Federal Perkins Loan Program and Nursing Student Loan Program (the "Programs"). Such funds may be reloaned by the College after collection. In the event that the College no longer participates in the Programs, the amounts are refundable to the federal government. The federal government's portion of these funds was approximately $389,000 at both June 30, 2015 and 2014. The College matches and contributes one-third of the amount contributed by the U.S. Government to the Programs.

The prescribed practices for the Programs do not provide for accrual of interest on student loans receivable or for a provision of allowance for doubtful loans. Accordingly, interest on loans is recorded as received; uncollectible loans are not recognized until the loans are canceled or written off in conformity with the Program's requirements.

The impact of recording interest income on a cash basis is not considered significant. In addition, the credit quality of the student is not evaluated after the initial approval and calculation of the loans. Delinquent loans and the allowance for losses on loans receivable are reviewed by management, but are not material to the overall financial statements.

NOTE F - PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 follows:

	2015		
	Cost	Accumulated depreciation	Net
Land	$ 12,036,821	$ -	$ 12,036,821
Buildings and improvements	283,818,942	(74,283,720)	209,535,222
Equipment and vehicles	44,724,058	(31,109,204)	13,614,854
Construction in progress	2,230,539	-	2,230,539
	$ 342,810,360	$(105,392,924)	$ 237,417,436

	2014		
	Cost	Accumulated depreciation	Net
Land	$ 12,036,821	$ -	$ 12,036,821
Buildings and improvements	282,776,750	(66,945,384)	215,831,366
Equipment and vehicles	44,151,796	(31,674,013)	12,477,783
Construction in progress	2,903,076	-	2,903,076
	$ 341,868,443	$ (98,619,397)	$ 243,249,046

Depreciation expense for the years ended June 30, 2015 and 2014 was $11,332,925 and $10,937,684, respectively.

Construction in progress for June 30, 2015 and 2014 consisted primarily of design costs for a Day School project and construction costs related to the construction of dorm room renovations. Construction costs include architect fees, permits, labor, and materials. As of June 30, 2015 and 2014, the College was committed to approximately $995,000 and $640,000, respectively, on construction contracts. The balance outstanding as of June 30, 2015 is expected to be paid during fiscal year 2016.

NOTE G - NOTES PAYABLE AND LINE OF CREDIT

In October 2011, the College entered into an agreement whereby a third-party service provider paid for equipment on behalf of the College in exchange for the extension of an existing agreement through June 30, 2017. Should the College terminate the agreement prior to June 30, 2017, it would be liable for the unamortized portion of the equipment investment. The transaction resulted in the recognition of a $161,360 note payable with an implicit interest rate of 5.0%. The College amortized $28,498 and $27,111 of the note payable during fiscal years 2015 and 2014, respectively, and recognized $3,850 and $8,519 of interest expense during fiscal years 2015 and 2014, respectively. The offsetting credit is recognized as a reduction to auxiliary enterprises expenses in the fiscal years 2015 and 2014 statements of activities. The equipment is capitalized as an asset of the College of $161,360 and is being depreciated using the College's standard depreciation convention.

In July 2014, the College entered into an agreement whereby a third-party service provider paid for building improvements on behalf of the College in exchange for the extension of an existing agreement through June 30, 2019. Should the College terminate the agreement prior to June 30, 2019, it would be liable for the unamortized portion of the building improvements investment. The transaction resulted in the recognition of a $2,283,964 note payable with an implicit interest rate of 2.0%. The College amortized $408,982 of the note payable during fiscal year 2015, and recognized $38,476 of interest expense during fiscal year 2015. The offsetting credit is recognized as a reduction to auxiliary enterprises expenses in the fiscal year 2015 statement of activities. The building improvement is capitalized as an asset of the College of $2,283,964 and is being depreciated over the term of the note.

During December 2008, the College entered into an unsecured line of credit arrangement with M&T Bank, which carries a maximum possible borrowing of $5,000,000. The loan has a variable interest rate that is 1% higher than London Interbank Offered Rate ("LIBOR"). As of June 30, 2015 and 2014, the College had $-0- outstanding under the arrangement. The College did not borrow against the line of credit during fiscal years 2015 or 2014. The College also pays a $7,500 annual facility fee. Borrowings under the line of credit are payable on demand.

In order to comply with requirements of the College's 2014 Revenue Bonds (see Note H), the College entered into an unsecured line of credit arrangement with M&T Bank, which carries a maximum borrowing limit of $7,300,000. Any loan associated with the line of credit has a variable interest rate that is LIBOR plus 1%. The line of credit expires on October 31, 2015. As of June 30, 2015, the College had $-0- outstanding under the arrangement. The College paid a commitment fee of $4,745 for the line of credit.

NOTE H - BONDS PAYABLE

The following is a summary of bonds payable as of June 30:

	2015	2014
York College Revenue Bonds, Series 2005 EE	$ 26,730,000	$ 27,575,000
York College Revenue Bonds, Series 2007 GG2	16,025,000	16,105,000
York College Revenue Bonds, Series 2011 II	19,440,000	19,750,000
York College Revenue Bonds, Series 2014 T2	6,910,000	7,300,000
York College Revenue Bonds, Series 2014 T3	8,400,000	8,400,000
York College Revenue Bonds, Series 2014 T4	10,365,000	10,365,000
Total bonds payable	87,870,000	89,495,000
Unamortized bond premium	1,156,803	1,498,118
Unamortized bond discount	(304,667)	(317,553)
	$ 88,722,136	$ 90,675,565

2005 York College Revenue Bonds

In fiscal 2006, the College borrowed $31,965,000 through the issuance of tax-exempt revenue bonds (2005 Revenue Bonds, Series 2005 EE) pursuant to a financing program sponsored by the Association of Independent Colleges and Universities of Pennsylvania. The purpose of the bond issue was principally to finance the construction of new dormitories and the humanities center. The 2005 Revenue Bonds have fixed interest rates ranging from 4.00% to 5.25%, with principal maturing in varying amounts through November 1, 2033.

Bond premiums of $501,087 and issuance costs of $582,642 relating to the 2005 Revenue Bonds are being amortized over the term of the bonds. Unamortized bond premium costs totaled $321,683 and $340,242 at June 30, 2015 and 2014, respectively. Unamortized bond issuance costs totaled $374,036 and $395,615 at June 30, 2015 and 2014, respectively.

2007 York College Revenue Bonds

In fiscal 2007, the College borrowed $16,510,000 through the issuance of tax-exempt revenue bonds (2007 Revenue Bonds, Series 2007 GG2) pursuant to a financing program sponsored by the Association of Independent Colleges and Universities of Pennsylvania. The purpose of the bond issue was principally to finance the construction of a new dormitory and for land acquisition. The 2007 Revenue Bonds have fixed interest rates ranging from 3.75% to 5.00%, with principal maturing in varying amounts through May 1, 2037.

(Continued)

NOTE H - BONDS PAYABLE - Continued

Bond premiums of $551,253 and issuance costs of $449,305 relating to the 2007 Revenue Bonds are being amortized over the term of the bonds. Unamortized bond premium costs totaled $408,323 and $426,076 at June 30, 2015 and 2014, respectively. Unamortized bond issuance costs totaled $297,397 and $316,199 at June 30, 2015 and 2014, respectively.

2011 York College Revenue Bonds

In fiscal 2011, the College borrowed $20,000,000 through the issuance of tax-exempt revenue bonds (2011 Revenue Bonds, Series 2011 II) pursuant to a financing program sponsored by the Association of Independent Colleges and Universities of Pennsylvania. The purpose of the bond issue was principally to finance the construction of a new dormitory. The 2011 Revenue Bonds have fixed interest rates ranging from 3.00% to 6.00%, with principal maturing in varying amounts through November 1, 2041.

A bond discount of $347,922 and issuance costs of $237,204 relating to the 2011 Revenue Bonds are being amortized over the term of the bonds. The unamortized bond discount cost totaled $304,668 and $317,553 at June 30, 2015 and 2014, respectively. The unamortized bond issuance cost totaled $178,611 and $191,008 at June 30, 2015 and 2014, respectively.

2014 York College Revenue Bonds

During fiscal 2014, the College borrowed $26,065,000 through the issuance of tax-exempt revenue bonds (2014 Revenue Bonds, Series 2014 T2, T3, and T4) pursuant to a financing program sponsored by the Association of Independent Colleges and Universities of Pennsylvania. The purpose of the bond issue was to redeem the College's outstanding Series 2011 I6 bonds, Series 2002 K2 bonds, Series 2004 M3 bonds, and Series 2004 BB bonds. The 2014 Revenue Bonds are variable rate bonds, with principal maturing in varying amounts through May 31, 2034.

The Series 2001 I6 and Series 2002 K2 unamortized bond premiums of $17,767 and $260,229, respectively, and Series 2004 M3 unamortized bond discount of $27,370 and unamortized issuance costs of $25,219, $97,842 and $87,793, respectively, at the time of redemption, were recognized as a net loss on redemption and classified as an operating expense in auxiliary enterprises on the statement of activities for the year ended June 30, 2014.

The Series 2014 T2 bonds have a variable interest rate (0.55% and 1.00% at June 30, 2015 and 2014, respectively), with principal maturing in varying amounts through May 31, 2030. Bond premiums of $25,331 relating to the Series 2014 T2 bonds were amortized through April 30, 2015. Issuance costs relating to the Series 2014 T2 bonds are being amortized over the term of the bonds. Unamortized bond premium costs totaled $-0- and $22,395 at June 30, 2015 and 2014, respectively. Unamortized bond issuance costs totaled $84,997 and $104,796 at June 30, 2015 and 2014, respectively.

(Continued)

NOTE H - BONDS PAYABLE - Continued

The Series 2014 T3 bonds have a variable interest rate of 2% through April 30, 2016, with principal maturing in varying amounts through May 31, 2034. Bond premiums of $177,660 relating to the Series 2014 T3 bonds are being amortized through April 30, 2016. Issuance costs relating to the Series 2014 T3 bonds are being amortized over the term of the bonds. Unamortized bond premium costs totaled $76,461 and $167,665 at June 30, 2015 and 2014, respectively. Unamortized bond issuance costs totaled $110,590 and $121,963 at June 30, 2015 and 2014, respectively.

The Series 2014 T4 bonds have a variable interest rate of 3% through April 30, 2017, with principal maturing in varying amounts through May 31, 2033. Bond premiums of $562,716 relating to the Series 2014 T4 bonds are being amortized through April 30, 2017. Issuance costs relating to the Series 2014 T4 bonds are being amortized over the term of the bonds. Unamortized bond premium costs totaled $350,336 and $541,740 at June 30, 2015 and 2014, respectively. Unamortized bond issuance costs totaled $133,697 and $150,220 at June 30, 2015 and 2014, respectively.

The 2014 T2, T3, and T4 bonds are variable rate demand bonds which will be required to be remarketed on May 1, 2016, 2016, and 2017, respectively. If bonds are not successfully remarketed, the College would be required to redeem the bonds.

Under the College's 2014 Revenue Bonds, Series 2014 T2, T3, and T4, the College must endeavor to secure a committed line of credit in the amount at least equal to 100% of the principal amount of the Bonds expected to be subject to mandatory purchase on each date of remarketing (see Note G). The 2014 T2 bonds were successfully remarketed as of May 1, 2015.

The approximate aggregate amount of principal maturities of debt outstanding at June 30, 2015 for the five subsequent fiscal years follows:

Year ending June 30,	
2016	$ 1,800,000
2017	2,240,000
2018	2,615,000
2019	2,560,000
2020	2,655,000
Thereafter	76,000,000
	$ 87,870,000

Interest expense on bonds payable was $3,434,160 and $3,527,309 for the years ended June 30, 2015 and 2014, respectively, and is included in auxiliary enterprises expense on the statements of activities. The 2015 and 2014 interest expense is net of capitalized interest of $-0- and $63,323, respectively.

(Continued)

NOTE H - BONDS PAYABLE - Continued

Under the terms of a debt agreement, the College is required to comply with a financial covenant associated with its bonds relating to maintenance of a debt service ratio. The College was in compliance with this covenant at June 30, 2015.

On September 10, 2015, the College borrowed $24,125,000 through the issuance of tax-exempt revenue bonds (2015 Revenue Bonds, Series NN2) pursuant to a financing program sponsored by the Association of Independent Colleges and Universities of Pennsylvania. The purpose of the bond issue was to refund the College's 2005 Revenue Bonds, Series EE. The 2015 Revenue Bonds have fixed interest rates ranging from 3.00% to 5.00%, with principal maturing in varying amounts through November 1, 2032.

Net bond premium of approximately $1,560,000 and issuance cost of approximately $500,000 relating to the 2015 Revenue Bonds are being amortized over the term of the bonds.

The approximate aggregate amount of principal maturities of debt outstanding prior and subsequent to the issuance of the 2015 Bonds and the defeasance of the 2005 Bonds for the five subsequent years follows.

	Before	After
Year ending June 30,		
2016	$ 1,800,000	$ 920,000
2017	2,240,000	1,320,000
2018	2,615,000	1,970,000
2019	2,560,000	2,675,000
2020	2,655,000	2,785,000
Thereafter	76,000,000	75,595,000
	$ 87,870,000	$ 85,265,000

NOTE I - SELF-FUNDED HEALTH INSURANCE

The College is self-insured for its employee health insurance coverage. The College accrues the estimated costs of incurred and reported and incurred but not reported claims, after consideration of its stop-loss insurance coverages, based upon data provided by the third-party administrator of the program and its historical claims experience. The College has accrued $423,492 and $393,946 at June 30, 2015 and 2014, respectively, for these costs, which is included in accrued salaries and benefits and other liabilities on the statements of financial position.

NOTE J - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted assets were available for the following purposes at June 30:

	2015	2014
Accumulated gains on endowment funds	$ 11,206,004	$ 11,218,002
Contributions receivable, net	8,827,018	9,424,238
Designated for capital projects	1,971,562	327,629
Net annuities	1,598,784	1,332,237
Supporting organization	198,655	204,532
Other	103,844	76,800
	$ 23,905,867	$ 22,583,438

Permanently restricted net assets at June 30 were restricted for:

	2015	2014
Endowment funds to be held in perpetuity, primarily to support student scholarships	$ 24,377,032	$ 23,282,206
Funds held in trust by others, the income from which is primarily expendable to support student scholarships	8,343,278	5,418,400
Endowment contributions receivable, net	1,030,056	1,228,860
College loan funds	93,367	93,400
	$ 33,843,733	$ 30,022,866

NOTE K - ENDOWMENT FUNDS

The College's endowment consists of approximately 300 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The College classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) 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. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as either temporarily restricted or unrestricted net assets based on the existence of donor restrictions or by law.

(Continued)

NOTE K - ENDOWMENT FUNDS - Continued

Commonwealth of Pennsylvania law permits an annual allocation of a portion of endowment return to income. The law allows nonprofit organizations to spend a percentage of the market value of their endowment funds, including realized and unrealized gains. The percentage, which by law must be between 2% and 7%, is adopted annually by the Board of Trustees. The endowment market value is determined based on the average fair value spanning three years. The College's policy for each of the years ended June 30, 2015 and 2014 allowed for a payout of 5% of the three-year average market value balance.

The College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the College and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the College
(7) The investment policies of the College

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under these policies, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that attain an average annual real total return (i.e., adjusted for inflation and net of investment management fees) greater than the spending rate (currently 5%) over the long term. This is consistent with the College's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. Actual returns in any given year may vary from this amount.

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

Endowment net asset composition by type of fund as of June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 11,206,004	$ 25,407,088	$ 36,613,092
Board-designated endowment funds	43,669,094	-	-	43,669,094
	$ 43,669,094	$ 11,206,004	$ 25,407,088	$ 80,282,186

(Continued)

NOTE K - ENDOWMENT FUNDS - Continued

Changes in endowment net assets for the fiscal year ended June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 44,196,427	$ 11,218,002	$ 24,511,066	$ 79,925,495
Investment return:				
Investment income	138,653	108,066	-	246,719
Net realized and unrealized appreciation	1,286,707	1,025,534	-	2,312,241
Total investment return	1,425,360	1,133,600	-	2,558,960
Contributions	9,937	-	896,022	905,959
Appropriation of endowment assets for expenditure	(1,962,630)	(1,154,416)	-	(3,117,046)
Transfers related to deficiencies in donor-designated levels	-	8,818	-	8,818
Endowment net assets, end of year	$ 43,669,094	$ 11,206,004	$ 25,407,088	$ 80,282,186

Endowment net asset composition by type of fund as of June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 11,218,002	$ 24,511,066	$ 35,729,068
Board-designated endowment funds	44,196,427	-	-	44,196,427
	$ 44,196,427	$ 11,218,002	$ 24,511,066	$ 79,925,495

(Continued)

NOTE K - ENDOWMENT FUNDS - Continued

Changes in endowment net assets for the fiscal year ended June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 39,106,540	$ 7,550,773	$ 21,274,389	$ 67,931,702
Investment return:				
Investment income	73,047	51,456	-	124,503
Net realized and unrealized appreciation	6,893,135	4,922,729	-	11,815,864
Total investment return	6,966,182	4,974,185	-	11,940,367
Contributions	10,104	-	2,893,827	2,903,931
Transfer from funds held in trust by others	-	-	342,850	342,850
Appropriation of endowment assets for expenditure	(1,886,399)	(1,174,700)	-	(3,061,099)
Transfers related to deficiencies in donor-designated levels	-	(132,256)	-	(132,256)
Endowment net assets, end of year	$ 44,196,427	$ 11,218,002	$ 24,511,066	$ 79,925,495

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level designated by the donor. As of June 30, 2015 and 2014, the cumulative charge to unrestricted net assets for the deficiencies was $114,529 and $105,711, respectively. There was a corresponding decrease to unrestricted net assets of $8,818 during the fiscal year ended June 30, 2015 and a corresponding increase to unrestricted net assets of $132,256 during the fiscal year ended June 30, 2014. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

NOTE L - PENSION AND RETIREMENT PLANS

The College maintains defined contribution retirement plans for academic and nonacademic personnel. Total College contributions for the years ended June 30, 2015 and 2014 were approximately $2,829,000 and $2,889,000, respectively.

NOTE M - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2015 and 2014, the College paid approximately $1,305,000 and $2,870,000, respectively, to construction and architectural design companies owned by an emeritus board member. As of June 30, 2015 and 2014, approximately $25,000 and $46,000, respectively, were payable to these companies.

NOTE N - CONCENTRATION OF CREDIT RISK

Amounts on deposit in non-interest bearing accounts in any Federal Deposit Insurance Corporation ("FDIC") financial institution are insured up to $250,000 by the FDIC. The College generally maintains deposits in non-interest bearing accounts.

NOTE O - GOVERNMENT GRANTS AND CONTRACTS AND SCHOLARSHIP ALLOWANCE

The amounts under the government grants and contracts and scholarship allowance captions in these financial statements do not include amounts remitted to students under the Pennsylvania Higher Education Assistance Agency ("PHEAA") and other state programs and the PELL Grants Program. The grants are similar to agency funds since the College acts only as custodian and disbursing agent for these funds. Had these amounts been included, revenues and expenditures would have each increased by approximately $8,200,000 in both 2015 and 2014.

NOTE P - FAIR VALUE MEASUREMENTS

The College follows the Financial Accounting Standards Board ("FASB") guidance related to fair value measurement. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance also establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. The hierarchy prioritizes the inputs into three broad levels as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument;

Level 3 Prices or valuation techniques that are unobservable in the market and require significant management judgment or estimation to measure fair value.

The level within which the fair value measurement falls is determined based on the lowest level that is significant to the fair value measurement.

(Continued)

NOTE P - FAIR VALUE MEASUREMENTS - Continued

The following table presents the College's investments and funds held in trust by others measured at fair value on a recurring basis by level within the fair value hierarchy as of June 30, 2015:

	Total	Level 1	Level 2	Level 3
Investments:				
Diversifying equity funds:				
Multi-hedge fund	$ 17,083,673	$ -	$ -	$ 17,083,673
Equity long/short hedge funds	18,652,157	-	18,191,543	460,614
Natural resources	4,925,557	2,548,163	2,377,394	-
Commodity futures	2,835,048	-	2,835,048	-
Mortgage related security fund	994,189	-	-	994,189
U.S. government obligations	18,876,412	-	18,876,412	-
U.S. equity funds:				
Large cap index fund	16,565,939	-	16,565,939	-
Large cap managed fund	25,209,675	-	25,209,675	-
Small cap managed fund	2,053,579	2,053,579	-	-
Non U.S. equity funds:				
International funds	26,882,880	23,124,879	3,758,001	-
Emerging market funds	11,703,165	-	11,703,165	-
Private equity and venture capital:				
Private equity funds - domestic	6,114,435	-	-	6,114,435
Private equity funds - international	5,723,953	-	-	5,723,953
Money markets	3,541,488	-	3,541,488	-
Diversifying bond funds	4,914,291	4,914,291	-	-
Real estate securities and other	5,520,946	-	-	5,520,946
Total investments	171,597,387	32,640,912	103,058,665	35,897,810
Funds held in trust by others	8,541,934	-	-	8,541,934
Total	$ 180,139,321	$ 32,640,912	$ 103,058,665	$ 44,439,744

(Continued)

NOTE P - FAIR VALUE MEASUREMENTS - Continued

The following table presents the College's investments and funds held in trust by others measured at fair value on a recurring basis by level within the fair value hierarchy as of June 30, 2014:

	Total	Level 1	Level 2	Level 3
Investments:				
Diversifying equity funds:				
Multi-hedge fund	$ 16,225,729	$ -	$ -	$ 16,225,729
Equity long/short hedge funds	17,777,098	-	17,495,989	281,109
Commodity futures	7,103,125	-	7,103,125	-
Mortgage related security fund	1,977,406	-	-	1,977,406
U.S. government obligations	16,830,694	-	16,830,694	-
U.S. equity funds:				
Large cap index fund	16,275,711	-	16,275,711	-
Large cap managed fund	24,566,689	-	24,566,689	-
Small cap managed fund	3,027,196	3,027,196	-	-
Non U.S. equity funds:				
International funds	27,521,306	23,921,251	3,600,055	-
Emerging market funds	11,523,278	-	11,523,278	-
Private equity and venture capital:				
Private equity funds - domestic	5,408,482	-	-	5,408,482
Private equity funds - international	4,403,738	-	-	4,403,738
Money markets	1,239,923	-	1,239,923	-
Diversifying bond funds	4,978,459	4,978,459	-	-
Real estate securities and other	5,657,136	-	-	5,657,136
Total investments	164,515,970	31,926,906	98,635,464	33,953,600
Funds held in trust by others	5,622,933	-	-	5,622,933
Total	$ 170,138,903	$ 31,926,906	$ 98,635,464	$ 39,576,533

Certain diversifying equity funds, private equity, venture capital and real estate investments are measured using pricing or valuation techniques employed by the investment managers which are unobservable in the market. As such, they are valued using Level 3 inputs.

As of June 30, 2014, the U.S. small cap managed fund was an actively managed account specifically for the benefit of the College. The equities of this fund were measured at fair value based upon quoted market prices in active markets. During fiscal year 2015, these assets, like non-U.S. equity and diversified bond funds, are mutual funds which are measured based upon the quoted price of active markets for those funds. All of these funds are owned directly by the College and, as such, are valued using Level 1 inputs.

(Continued)

NOTE P - FAIR VALUE MEASUREMENTS - Continued

Certain other funds, including U.S. equity funds, non-U.S. equity funds and emerging market funds, are not directly owned by the College but are part of a pool managed by outside investment managers. These investments are measured at fair value based on quoted market prices of the underlying investments or quoted prices for identical or similar assets in markets that are not observable. Such funds are valued using Level 2 inputs.

Certain U.S. government obligations are measured at fair value using quoted prices in active markets when available. Otherwise, a third-party pricing agency provides valuation services using similar assets, with similar terms, in actively traded markets. Such assets are not directly owned by the College but are part of a pool managed by outside investment managers. Such securities are valued using Level 2 inputs.

Money market funds of the custodian are considered Level 2 since they are not actively traded. The fair value is based on similar assets which are actively traded.

Funds held in trust by others are invested in securities with quoted prices in active markets. Such assets are not directly owned or controlled by the College as they are managed by others. These assets are valued based on the present value of the estimated future cash flows of the underlying investments. Such assets are valued using Level 3 inputs.

The following table presents a reconciliation of the beginning and ending balances of assets with fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2015:

	Diversifying equity	Private equity and venture capital	Real estate and other securities	Funds held in trust by others
Balance, July 1, 2014	$ 18,484,244	$ 9,812,220	$ 5,657,136	$ 5,622,933
Total realized and unrealized gains included in the change in net assets	763,374	1,222,106	984,832	14,837
Purchases	1,305,022	3,505,235	1,168,045	3,125,783
Liquidations	(2,014,164)	(2,701,173)	(2,289,067)	(221,619)
Balance, June 30, 2015	$ 18,538,476	$ 11,838,388	$ 5,520,946	$ 8,541,934

(Continued)

NOTE P - FAIR VALUE MEASUREMENTS - Continued

The following table presents a reconciliation of the beginning and ending balances of assets with fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2014:

	Diversifying equity	Private equity and venture capital	Real estate and other securities	Funds held in trust by others
Balance, July 1, 2013	$ 15,607,070	$ 8,493,277	$ 5,078,148	$ 5,675,570
Total realized and unrealized gains included in the change in net assets	2,651,854	1,606,755	766,570	350,213
Purchases	16,374,268	1,529,583	1,181,000	-
Liquidations	(16,148,948)	(1,817,395)	(1,368,582)	(402,850)
Balance, June 30, 2014	$ 18,484,244	$ 9,812,220	$ 5,657,136	$ 5,622,933

In addition to the disclosures of investments recorded at fair value, U.S. GAAP requires the disclosure of the estimated fair value of all the College's financial instruments. The College has considered the fair value measurement criteria as required under the guidance as described above. Fair value estimates have been determined based on the methodologies management considers most appropriate for each financial instrument.

The College has a policy which permits investments that do not have a readily determinable fair value, and as such, has elected to use the net asset value (the "NAV") per share as calculated on the reporting entity's measurement date as the fair value of the investment. The College measures the fair value of an investment that does not have a readily determinable fair value, based on the NAV of the investment as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a value significantly different than the NAV. If the practical expedient NAV is not as of the reporting entity's measurement date, then the NAV is adjusted to reflect any significant events that would materially affect the value of the security and the NAV of the College as of the valuation date. In using the NAV as a practical expedient, certain attributes of the investment, that may impact the fair value of the investment, are not considered in measuring fair value. Attributes of those investments include the investment strategies of the investees and may also include, but are not limited to, restrictions on the investor's ability to redeem its investments at the measurement date at NAV, as well as any unfunded commitments.

(Continued)

NOTE P - FAIR VALUE MEASUREMENTS - Continued

A listing of the investments held by the College and their attributes, that may qualify for these valuations consist of the following as of:

	June 30, 2015			
	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
U.S. equity funds				
Large cap index fund [a]	$ 16,565,939	$ -	daily	2 days
Large cap managed fund [a]	25,209,675	-	quarterly	60 days
Non U.S. equity funds				
International funds [a]	3,758,001	-	monthly	6 days
Emerging market funds [a]	11,703,165	-	monthly	7 days
Money markets [a]	3,541,488	-	daily	daily
Multi-hedge fund [b]	17,083,673	-	annually bi-annually	95 days
Equity long/short hedge funds [c]	18,652,157	1,774,487	annually, quarterly	45 days
Natural resources [d]	2,377,394	-	monthly	30 days
Commodity futures [e]	2,835,048	-	quarterly, monthly	5 days
Mortgage related security fund [f]	994,189	800,000		
Private equity funds - domestic [g]	6,114,435	5,469,897		
Private equity funds - international [h]	5,723,953	4,026,316		
Real estate securities and other [i]	5,520,946	3,614,500		
	$ 120,080,063	$ 15,685,200		

(Continued)

NOTE P - FAIR VALUE MEASUREMENTS - Continued

	June 30, 2014			
	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
U.S. equity funds				
Large cap index fund [a]	$ 16,275,711	$ -	daily	2 days
Large cap managed fund [a]	24,566,689	-	quarterly	60 days
Non U.S. equity funds				
International funds [a]	3,600,055	-	monthly	6 days
Emerging market funds [a]	11,523,278	-	monthly	7 days
Money markets [a]	1,239,923	-	daily	daily
Multi-hedge fund [b]	16,225,729	-	annually bi-annually	95 days
Equity long/short hedge funds [c]	17,777,098	1,935,732	annually, quarterly	45 days
Commodity futures [e]	7,103,125	-	quarterly, monthly	5 days
Mortgage related security fund [f]	1,977,406	800,000		
Private equity funds - domestic [g]	5,408,482	6,377,850		
Private equity funds - international [h]	4,403,738	3,994,964		
Real estate securities and other [i]	5,657,136	2,569,000		
	$ 115,758,370	$ 15,677,546		

[a] This category includes investment in a pool of assets held and managed by an investment manager. These investments are reported by their respective managers using the NAV per share and are measured at fair value based on quoted market prices of the underlying investments. These investments can be liquidated within a period ranging from daily up through a fiscal quarter.

[b] This category includes an investment in a single fund of funds, which in turn has investments in multiple direct hedge funds. These funds will employ various hedge fund strategies, including credit opportunities, distressed securities, fundamental long/short equities, event-driven (economical, political and government), arbitrage and other. The fair values of the investments in this category are based on the valuations provided to the fund of funds by the underlying fund managers, and these valuations are in turn based on the portfolio holdings of these managers. Shares may be redeemed at the NAV per share as of the twelfth month-end following the purchase of the shares and as of the last day of each six-month period occurring thereafter. The College purchased $1,000,000 of shares during the year ended June 30, 2015 that relate to the recorded fair value of the investment.

(Continued)

NOTE P - FAIR VALUE MEASUREMENTS - Continued

(c) This category includes investments in hedge funds that invest both long and short primarily in U.S. common stocks. Approximately 99% of this category includes an investment in a single fund of funds, which in turn has investments in multiple direct hedge funds, all belonging to the same firm. The fair values of the investments in this category are based on the valuations provided to the fund of funds by the underlying fund managers, and these valuations are in turn based on the portfolio holdings of these managers. Shares may be redeemed at the NAV per share as of the twelfth month-end following the purchase of the shares and as of the first day of each calendar quarter thereafter based upon the preceding valuation day. The College purchased $165,000 of shares during the year ended June 30, 2015 that related to the recorded fair value of the investment.

(d) This category includes an investment in a group variable annuity policy, which in turn invests in a private investment limited liability company established to actively invest directly without leverage in income-producing publicly traded Master Limited Partnerships ("MLPs") and midstream energy infrastructure C-corporations with a particular focus on energy sector MLPs. This investment is valued using the NAV per unit as reported by the investment company based on the fair value of the publicly traded MLPs and C-corporations using quoted pricing in active markets. This investment is redeemable on a monthly basis with a 30-day notice.

(e) This category includes investments in a long-only, unleveraged portfolio of exchange-traded, U.S. dollar denominated tangible commodity futures and forward contracts. The fund's cash utilized as margin deposits on the fund's future and forward positions is invested in a variety of debt obligations, including, but not limited to, government and agency securities. The fair values of the investments in this category have been measured using quoted pricing in active markets. Shares may be redeemed at the NAV per share after an initial three-month period and as of the end of each month thereafter. There were no purchases by the College during the year ended June 30, 2015 that relate to the recorded fair value of the investment.

(f) This category includes investments in a single fund which invests in long residential mortgage-backed securities with distressed collateral. Approximately 99% of the fair values of these investments are marked to market using the mean price provided by a third-party pricing agency. These investments cannot be redeemed, and it is estimated that the underlying assets of the fund will be liquidated over the next 10 - 15 years.

(g) This category includes various private equity funds of funds that invest in underlying direct private equity and venture capital partnerships. These, in turn, invest directly in primarily U.S. companies. The recorded value represents the College's proportionate share of the NAV reported by the fund of funds. Since the underlying investments generally are non-public companies, fair values have been estimated using recent observable transaction information for similar transactions and non-binding bids received from potential buyers of the investments. These investments cannot be redeemed. Distributions are received through the liquidation of the underlying assets of each fund of the underlying funds. It is estimated that the underlying assets of these funds will be liquidated over the next 8 - 10 years.

(h) Similar to (d); however, investments are primarily in international companies.

(Continued)

NOTE P - FAIR VALUE MEASUREMENTS - Continued

(i) This category includes several real estate funds of funds that invest in direct real estate partnerships, primarily focused on U.S. commercial real estate. The fair values of the investments in this category have been estimated using the College's proportionate share of the NAV reported by the fund of fund manager. This NAV is based on fair value estimates of the underlying investments based on comparable transaction data and/or appraisals. These investments can never be redeemed with funds. Distributions from each fund will be received as the underlying investments in the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next 10 years.

The carrying amount and estimated fair value of the College's financial instruments at June 30 are as follows:

	2015		2014	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Assets:				
Cash and cash equivalents	$ 15,765,429	$ 15,765,429	$ 8,385,054	$ 8,385,054
Restricted cash and cash equivalents	3,882,072	3,882,072	3,888,279	3,888,279
Accounts and grants receivable, net	1,263,505	1,263,505	2,919,702	2,919,702
Investments	171,597,387	171,597,387	164,515,970	164,515,970
Contributions receivable, net	9,904,970	9,904,970	10,656,198	10,656,198
Student loans receivable	209,950	209,950	214,650	214,650
Funds held in trust by others	8,541,934	8,541,934	5,622,933	5,622,933
Liabilities:				
Accounts payable	$ 3,585,809	$ 3,585,809	$ 3,138,838	$ 3,138,838
Refundable advances	3,911,736	3,911,736	8,057,092	8,057,092
Annuities payable	1,174,537	1,174,537	875,274	875,274
Advances from federal government	389,339	389,339	389,339	389,339
Deposits held in custody for others	10,337	10,337	4,594	4,594
Notes payable	1,936,426	1,936,426	89,942	89,942
Bonds payable	88,722,136	91,665,515	90,675,565	94,463,216

Fair values were determined as follows:

The carrying amounts of cash and cash equivalents and contributions receivable to be received in less than one year approximate fair value because of the short maturity of those financial instruments. The fair value of contributions receivable to be received in more than one year is estimated based on discounted future cash flows.

The carrying value of notes payable and bonds payable is estimated based on current rates offered for similar issues with similar security terms and maturities.

Refundable advances represent the portion of the students' loans receivable funded by government agencies, and their fair value is considered to approximate their carrying value.

(Continued)

NOTE P - FAIR VALUE MEASUREMENTS - Continued

The fair value of the annuity payable is considered to approximate its carrying value based on discounted cash flows using market rates.

The carrying value of the College's other financial instruments - accounts and student loan receivables, accounts payable, students' advance payments and deposits, and deposits held in custody for others - approximates the fair value of these instruments based on the short-term nature of these financial instruments.

Members of the College's senior management are responsible for valuation policies and procedures for the College's Level 3 investments. They report to the Investment Committee, a committee within the Board of Directors. The Committee meets approximately four times per year to review the College's investments and as needed to discuss other issues related to the investments, including valuation methodology used for Level 3 investments.

NOTE Q - COMMITMENTS AND CONTINGENCIES

The College uses operating leases to provide certain equipment and real estate in the normal course of its operations. The equipment leases relate principally to copier machines, and the real estate leases relate principally to provide additional studio space for certain academic programs. The following is a schedule by years of future minimum rental payments required under operating leases that have an initial or remaining noncancelable lease term in excess of one year as of June 30, 2015:

Year ending June 30,		
2016	$	156,907
2017		115,640
2018		86,730

The College recognized total rental expense of $236,140 and $308,081 during the years ended June 30, 2015 and 2014, respectively.

The College had approximately $15,700,000 in unfunded capital calls related to various alternative investments at both June 30, 2015 and 2014. The College intends to fund these commitments through liquidation of current investments.

The College is involved in various legal proceedings and claims that have arisen in the normal conduct of its operations. Management views as remote the probability that outcomes related to these legal proceedings and claims could have a materially adverse effect on the College's financial condition.

NOTE R - SUBSEQUENT EVENTS

The College evaluated its June 30, 2015 financial statements for subsequent events through October 26, 2015. The College is not aware of any subsequent events which would require recognition or disclosure in the financial statements, except as otherwise disclosed in Note H.

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "***Disclosure Certificate***") is executed and delivered as of June 29, 2016 by YORK COLLEGE OF PENNSYLVANIA, a Pennsylvania nonprofit corporation (the "***Borrower***"), in connection with the issuance by the York County Industrial Development Authority (the "***Issuer***") of $15,655,000 in principal amount of its Revenue Bonds (AICUP Financing Program – York College of Pennsylvania Project) Series 2016 OO3 (the "***Bonds***"). The Bonds are being issued pursuant to the terms of a Trust Indenture dated as of June 1, 2016 (the "***Indenture***") between the Issuer and The Bank of New York Mellon Trust Company, N.A., in its capacity as trustee for the holders of the Bonds (in such capacity, together with any successor trustee, the "***Trustee***"), and are being sold pursuant to a competitive bid awarded to Fidelity Capital Markets on June 27, 2016.

NOW THEREFORE, intending to be legally bound hereby, the Borrower hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered for the benefit of the registered owners and Beneficial Owners (hereinafter defined) of the Bonds and in order to assist the Participating Underwriter (hereinafter defined) in complying with the Rule (hereinafter defined).

SECTION 2. Definitions. In addition to the capitalized terms set forth above and the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"***Annual Report***" shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"***Beneficial Owner***" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"***Business Day***" shall mean any day other than a Saturday, Sunday or a day on which the New York Stock Exchange is closed.

"***Commonwealth***" shall mean the Commonwealth of Pennsylvania.

"***Disclosure Representative***" shall mean the President of the Borrower or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

"***Dissemination Agent***" shall mean the party appointed by the Borrower pursuant to the provisions of this Disclosure Certificate to perform the duties described herein to ensure compliance with the provisions of the Rule. Initially, the Borrower shall perform all duties of the Dissemination Agent hereunder and no third party has been appointed by the Borrower as Dissemination Agent. During any period in which the Borrower is performing the duties of the Dissemination Agent hereunder, all references in this Disclosure Certificate to "Dissemination Agent" shall mean the Borrower unless the context otherwise requires.

"***EMMA***" or the "***EMMA System***" shall mean the Electronic Municipal Market Access system maintained by the MSRB (or any successor electronic filing system established in accordance with the Rule for the submission of information required to be filed under the Rule). As of the date of this Disclosure Certificate, information regarding submissions to the MSRB through EMMA is available at http://emma.msrb.org/submission.

"***Generally Accepted Accounting Principles***" means those accounting principles applicable in the preparation of financial statements of educational institutions, as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body.

"***Issuance Date***" means June 29, 2016, the date of issuance and delivery of the Bonds.

"***Listed Event***" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"***Loan Agreement***" shall mean the Loan Agreement, dated as of June 1, 2016, between the Borrower and the Issuer.

"***MSRB***" shall mean the Municipal Securities Rulemaking Board.

"***Obligated Person***" shall mean, at any applicable time, each "obligated person" (as that term is defined in paragraph (f)(10) of the Rule) with respect to the Bonds. As of the Issuance Date, "Obligated Person" means the Borrower. The Borrower has determined that as of the Issuance Date, there are no "obligated persons" with respect to the Bonds for purposes of the Rule other than the Borrower, and that the Issuer is not an "obligated person" with respect to the Bonds for purposes of the Rule.

"***Official Statement***" shall mean the Official Statement relating to the Bonds, dated June 27, 2016.

"***Participating Underwriter***" shall mean Fidelity Capital Markets, as the underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"***Repository***" shall mean each nationally recognized municipal securities information repository for purposes of the Rule. The SEC has appointed EMMA as the sole Repository effective as of July 1, 2009.

"***Rule***" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"***SEC***" shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

(a) In accordance with the requirements of the Rule, the Borrower shall deliver, or shall provide to the Dissemination Agent and shall cause the Dissemination Agent to deliver, to each Repository not later than 60 days after the date on which the Borrower's Board of Trustees shall have approved the Borrower's audited financial statements for the preceding fiscal year, commencing with the fiscal year ending June 30, 2016, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate; provided, that in no event will the Borrower's audited financial statements be published by the Borrower later than nine (9) months following the end of the related fiscal year. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the financial statements of the Borrower may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report, if submitted in accordance with the provisions of Section 4. If the fiscal year of the Borrower changes, the Borrower shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If the Dissemination Agent receives the Annual Report from the Borrower and delivers the Annual Report to the Repository, the Dissemination Agent shall file a report with the Issuer and, if the Dissemination Agent is not the Trustee, with the Trustee (with a copy to the Borrower) to the effect that the Annual Report has been so delivered pursuant to this Disclosure Certificate and stating the date it was delivered. If the Borrower delivers the Annual Report directly to the Repository, it shall provide a report to the same effect to the Issuer, the Dissemination Agent and, if the Dissemination Agent is not the Trustee, to the Trustee.

(c) If the Borrower fails either to (i) provide the Annual Report to the Dissemination Agent in a time, manner and condition sufficient for the Dissemination Agent to deliver the Annual Report in compliance with Section 3(a), or (ii) report to the Dissemination Agent that it has on its own so delivered the Annual Report, the Dissemination Agent shall send a notice to the Repository (and copies thereof to the Issuer and the Borrower) in substantially the form attached as Exhibit A attached hereto.

SECTION 4. <u>Content of Annual Reports.</u> The Annual Reports shall contain or include by reference the following:

(a) The audited financial statements of the Borrower for the prior fiscal year prepared in accordance with Generally Accepted Accounting Principles. If such financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain preliminary financial statements in a format similar to the financial statements contained in the Official Statement, and the final financial statements shall be filed in the same manner as the Annual Report when they become available. Notwithstanding the foregoing, the Borrower may change the accounting principles used for preparation of the audited financial statements so long as the Borrower includes, in its next Annual Report as part of the information set forth therein, a statement to the effect that different accounting principles are being used, stating the reason for such change and providing a method by which to compare the financial information provided by the differing financial accounting principles.

(b) Operating data and financial information regarding the Borrower for the prior fiscal year of the same type as included in Appendix A to the Official Statement under the headings "Admissions and Enrollment" (but only as to the information set forth in the table under such heading), "Summary Financial Information" and "College Indebtedness".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Borrower is an Obligated Person, which have been filed with the Repository or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The Borrower shall clearly identify each such other document so included by reference. In the event the Borrower's audited financial statements for the fiscal year which have been provided pursuant to Section 3 of this Disclosure Certificate together with audited financial statements for other fiscal years which have been filed with the Repository or SEC contain any of the information described in clause (b) above, the related requirement of this Section 4 shall be deemed to be satisfied with respect to including such information in the Borrower's Annual Report.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds (each a "***Listed Event***") in a timely manner not in excess of ten (10) Business Days after the occurrence of the Listed Event (provided that the term "material" when used in this Section 5 with regard to an event or occurrence means that the applicable Obligated Person has determined that such event or occurrence is material within the meaning of the Rule):

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements, if any, reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, if any, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;

(vii) Modification to the rights of the registered owners and Beneficial Owners of the Bonds, if material;

(viii) Bond calls (other than mandatory sinking fund redemption), if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Borrower;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions other than pursuant to its terms, if material; and

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Listed Events listed in clauses (i) through (xiv) above are quoted from the Rule. Not all Listed Events listed above may be applicable to the Bonds.

(b) Whenever the Borrower obtains knowledge of the occurrence of a Listed Event, the Borrower shall promptly prepare a notice describing the Listed Event and notify the Dissemination Agent, if any, and the Issuer in writing, and either report or instruct the Dissemination Agent to report, the occurrence to the Repository, or to the MSRB. Promptly upon receipt of such notice, the Dissemination Agent shall file it with the Repository, or with the MSRB, as instructed in writing by the Borrower, with a copy to the Issuer and, if the Dissemination Agent is not the Trustee, with the Trustee.

SECTION 6. Termination of Reporting Obligations. The Borrower's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Borrower's obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the Borrower and the Borrower shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination or substitution in the same manner as a Listed Event under Section 5.

SECTION 7. Dissemination Agent. Initially the Borrower has not appointed a third party Dissemination Agent, but instead shall comply with all of the requirements of this Disclosure Certificate. In the event the Borrower appoints a third party to serve as Dissemination Agent, the provisions of Section 12 hereof and the following provisions shall apply to such Dissemination Agent:

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report, including, without limitation, any Annual Report, prepared by the Borrower pursuant to this Disclosure Certificate.

(b) The Borrower may, from time to time, appoint or engage a new Dissemination Agent, and may discharge any such Dissemination Agent, upon the appointment of a successor Dissemination Agent which shall be evidenced and be effective upon such successor Dissemination Agent's execution and delivery to the Issuer and the existing Dissemination Agent of a Form of Acceptance of Dissemination Agent's Duties substantially in the form attached hereto as Exhibit B.

(c) The Borrower shall be responsible for all fees and associated expenses of the Dissemination Agent.

SECTION 8. The Issuer. The Issuer shall not have any responsibility or liability in connection with the Borrower's compliance with the Rule, its filing or other obligations under this Disclosure Certificate, or in connection with the contents of any such filings. The Borrower covenants and agrees to indemnify and save the Issuer, and its members, officers, employees and agents, harmless against any loss, expense (including reasonable attorneys' fees) or liability arising out of (i) any breach by the Borrower of its obligations under this Disclosure Certificate, or (ii) any Annual Report or notices or other information provided under this Disclosure Certificate or any omissions therefrom.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Borrower and the Dissemination Agent (if any) may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, provided that no amendment shall subject the Issuer to any additional obligations or liabilities, and, provided further, that unless otherwise permitted by the Rule, the following conditions are satisfied:

(a) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds (including, but not limited to, affiliations, mergers, acquisitions, divestitures or dispositions affecting the Borrower), or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized disclosure counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the registered owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of registered owners, or (ii) does not, in the opinion of a nationally recognized bond counsel, materially adversely affect the interests of the registered owners or Beneficial Owners of the Bonds.

In addition, in the event the Borrower appoints a third party to serve as Dissemination Agent, this Disclosure Certificate may be amended to include such provisions relating to the duties and rights of the Dissemination Agent as may be agreed to by the Borrower and the Dissemination Agent.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Borrower shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Borrower shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Borrower to comply with any provision of this Disclosure Certificate, the Issuer or any third party serving as Dissemination Agent may, or at the written request of the Participating Underwriter or the registered owners of at least 25% of the aggregate principal amount of outstanding Bonds and the provision of indemnification satisfactory to it, the Dissemination Agent shall, or any registered owner or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the Borrower to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. In the event the Borrower has appointed a third party to serve as Dissemination Agent, Article VIII of the Indenture is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Indenture and applicable to the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no further duties or responsibilities shall be implied. The Dissemination Agent shall not have any liability under, nor duty to inquire into the terms and provisions of, any agreement or instructions, other than as outlined in this Disclosure Certificate. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Dissemination Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. The Dissemination Agent shall not be liable for any action taken or omitted by it in good faith unless a court of competent jurisdiction determines that the Dissemination Agent's negligent or willful misconduct was the primary cause of any loss to the Borrower. The Dissemination Agent shall not incur any liability for following the instructions herein contained or expressly provided for, or written instructions given by the Borrower. In the administration of this Disclosure Certificate, the Dissemination Agent may execute any of its powers and perform its duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Dissemination Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. The Dissemination Agent may resign and be discharged from its duties or obligations hereunder by giving notice in writing of such resignation specifying a date when such resignation shall take effect. Any corporation or association into which the Dissemination Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Dissemination Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Dissemination Agent in its individual capacity may be sold or otherwise transferred, shall be the Dissemination Agent under this Disclosure Certificate without further act. The Borrower covenants and agrees to hold the Dissemination 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 ("***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 Dissemination Agent is authorized to rely pursuant to the terms of this Disclosure Certificate. In addition to and not in limitation of the immediately preceding sentence, the Borrower 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 Dissemination Agent's performance under this Disclosure Certificate provided the Dissemination Agent has not acted with gross negligence or engaged in willful misconduct. Anything in this Disclosure Certificate to the contrary notwithstanding, in no event shall the Dissemination Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Dissemination Agent has been advised of such loss or damage and regardless of the form of action. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Notices. Any notices or communications to or between the parties to this Disclosure Certificate shall be deemed sufficiently given if sent by registered or certified United States mail, return receipt requested, postage prepaid, by overnight delivery service providing positive tracking or by telecopier with a duplicate hard copy sent by overnight delivery service providing positive tracking as follows:

To the Borrower:

York College of Pennsylvania
441 Country Club Road
York, PA 17403-3651
Attention: C. Matthew Smith
Chief Financial Officer
Telecopier Number: 717-849-1645

To the Trustee:

The Bank of New York Mellon Trust Company, N.A.
Global Corporate Trust
1735 Market Street, 9th Floor AIM No. 193-0950
Philadelphia, PA 19103
Attention: Noreen Wichert
Telecopier Number: 215-553-6915/6919

To the Issuer:

York County Industrial Development Authority
c/o York County Economic Development Corporation
144 Roosevelt Avenue
York, PA 17401
Attention: Chairman

Any party may, by written notice to the other parties, designate a different address or telecopier number to which subsequent notices or communications should be sent.

SECTION 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Borrower, the Dissemination Agent, the Issuer, the Participating Underwriter, and registered owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which will be regarded as an original, and all of which will constitute one and the same document.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Continuing Disclosure Certificate has been executed and delivered on the date first above written.

YORK COLLEGE OF PENNSYLVANIA

By:____

Title: Chief Financial Officer

This execution page is part of the Continuing Disclosure Certificate dated as of June 29, 2016 executed and delivered by York College of Pennsylvania, respecting the York County Industrial Development Authority Revenue Bonds (AICUP Financing Program – York College of Pennsylvania Project) Series 2016 OO3.

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	York County Industrial Development Authority
Name of Bond Issue/CUSIP:	$__________ York County Industrial Development Authority Revenue Bonds (AICUP Financing Program – York College of Pennsylvania Project) Series 2016 OO3 CUSIP: ___________
Date of Issuance:	June 29, 2016

NOTICE IS HEREBY GIVEN that York College of Pennsylvania has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated as of June 29, 2016.

Dated:___________________________

cc: York College of Pennsylvania
York County Industrial Development Authority

EXHIBIT B

FORM OF ACCEPTANCE OF DISSEMINATION AGENT'S DUTIES

___________________________hereby accepts and assumes all of the duties and obligations as Dissemination Agent under that certain Continuing Disclosure Certificate, dated as of June 29, 2016, executed and delivered by York College of Pennsylvania, respecting the York County Industrial Development Authority Revenue Bonds (AICUP Financing Program – York College of Pennsylvania Project) Series 2016 OO3.

[NAME OF SUCCESSOR
DISSEMINATION AGENT]

By:____
Authorized Officer

Dated: _______________________

cc: York County Industrial Development Authority
York College of Pennsylvania

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APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

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[PROPOSED FORM OF OPINION OF BOND COUNSEL]

Re: $15,655,000 York County Industrial Development Authority Revenue Bonds
(AICUP Financing Program – York College of Pennsylvania Project), Series 2016 OO3

Ladies and Gentlemen:

We have acted as Bond Counsel to the York County Industrial Development Authority (the "Issuer") in connection with the issuance of $15,655,000 aggregate principal amount of its Revenue Bonds (AICUP Financing Program – York College of Pennsylvania Project), Series 2016 OO3 (the "Bonds"). The Bonds are issued under and pursuant to the provisions of the Pennsylvania Economic Development Financing Law, Act of August 23, 1967, P.L. 251, as amended (the "Act") and a Trust Indenture (the "Indenture"), dated as of June 1, 2016 between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Bonds are being issued pursuant to a financing program sponsored by the Association of Independent Colleges and Universities of Pennsylvania to provide funds to be loaned to York College of Pennsylvania (the "College") to finance certain costs of a project (the "Project") consisting of: (i) the advance refunding of the General Authority of Southcentral Pennsylvania Revenue Bonds (Association of Independent Colleges and Universities of Pennsylvania Financing Program – York College of Pennsylvania Project), Series 2007 GG2; and (ii) payment of the costs of issuing the Bonds.

The Issuer and the College have entered into a Loan Agreement dated as of June 1, 2016 (the "Loan Agreement") providing for the loan of the proceeds of the Bonds to the College to pay certain costs of the Project. Under the Loan Agreement the College is unconditionally obligated to make loan payments in the amounts and at the times necessary to pay, when due, the principal or redemption price of and interest on the Bonds. The Issuer has assigned certain of its interests under the Loan Agreement, including its right to receive payments thereunder in respect of the Bonds, to the Trustee for the benefit of the holders of the Bonds.

The College has represented in the Loan Agreement that it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), 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. The College has covenanted that it will maintain its status as a 501(c)(3) organization under the Code and will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code (except as to unrelated business income).

The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to remain excludable from the gross income of the owners of the Bonds for federal income tax purposes. The Issuer and the College have covenanted to comply with such requirements. Noncompliance with such requirements may cause the interest on the Bonds to be includible in the gross income of the owners of the Bonds for federal income tax purposes, retroactive to the date of issue of the Bonds or as of some later date. Under the Loan Agreement, the College has covenanted that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103(a) of the Code. For the purposes of the opinions set forth below, we have assumed that the Issuer and the College will comply with the covenants set forth in the Loan Agreement relating to the tax-exempt status of the Bonds.

An officer of the Issuer responsible for issuing the Bonds and an authorized officer of the College have each executed a certificate stating the reasonable expectations of the Issuer and the College on the date of issue of the Bonds as to future events that are material for the purposes of Section 148 of the Code pertaining to arbitrage bonds. Also, the Issuer has caused or will cause to be filed with the Internal Revenue Service a report of the issuance of the Bonds as required by Section 149(e) of the Code as a condition of the exclusion from gross income of the interest on the Bonds.

In our capacity as Bond Counsel we have examined such documents, records of the Issuer and other instruments as we deemed necessary to enable us to express the opinions set forth below, including original counterparts or certified copies of the Indenture, the Loan Agreement and the other documents listed in the Closing Memorandum in respect of the Bonds filed with the Trustee. We also have examined an executed Bond and assume that all other Bonds have been similarly executed and have been authenticated by the Trustee.

Based on the foregoing, it is our opinion that:

1. The Issuer is a body corporate and politic validly existing under the laws of the Commonwealth of Pennsylvania, with full power and authority under the Act to undertake the financing of the Project, to execute, deliver and perform its obligations under the Loan Agreement and the Indenture, and to issue and sell the Bonds.

2. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as the rights created thereunder and the enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally.

3. The issuance and sale of the Bonds have been duly authorized by the Issuer and, on the assumption as to execution and authentication stated above, such Bonds have been duly executed and delivered by the Issuer and authenticated by the Trustee, and are legal, valid and binding limited obligations of the Issuer entitled to the benefit and security of the Indenture, except as the rights created thereunder and enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally.

4. Under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the Bonds are exempt from personal property taxes in Pennsylvania, and interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

5. Assuming the accuracy of the certifications of the Issuer and the College and their continuing compliance with the requirements of the Code, interest on the Bonds (including original issue discount on certain of the Bonds) is excludable from gross income for purposes of federal income taxation under existing laws as enacted and construed on the date hereof. Interest on the Bonds is not an

item of specific tax preference for purposes of either individual or corporate federal alternative minimum tax; however, interest on Bonds held by a corporation (other than an S corporation, regulated investment company or real estate investment trust) may be indirectly subject to corporate federal alternative minimum tax because of its inclusion in the adjusted current earnings of the corporate holder. We express no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Certain Bonds were offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bond through reductions in the holder's tax basis for the 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.

We have not been engaged to express and do not express any opinion herein with respect to the adequacy of the security for the Bonds or the sources of payment for the Bonds or with respect to the accuracy or completeness of any offering document or other information pertaining to the offering for sale of the Bonds or as to any other matter not set forth herein.

We call your attention to the fact that the Bonds are limited obligations of the Issuer payable only out of payments to be made by the College pursuant to the Loan Agreement and certain other moneys available therefor, and that the Bonds do not pledge the credit or taxing power of the County of York, the Commonwealth of Pennsylvania or any political subdivision thereof. The Issuer has no taxing power.

Very truly yours,

THE ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES OF PENNSYLVANIA*

Albright College
Allegheny College
Alvernia College
Arcadia University
Bryn Athyn College of the New Church
Bryn Mawr College
Bucknell University
Cabrini College
Cairn University
Carlow University
Carnegie Mellon University
Cedar Crest College
Chatham University
Chestnut Hill College
The Commonwealth Medical College
Delaware Valley University
DeSales University
Dickinson College
Drexel University
Duquesne University
Eastern University
Elizabethtown College
Franklin & Marshall College
Gannon University
Geneva College
Gettysburg College
Gratz College
Grove City College
Gwynedd-Mercy College
Harcum College
Harrisburg University of Science and Technology
Haverford College
Holy Family University
Immaculata University
Johnson College
Juniata College
Keystone College
King's College
LaRoche College
LaSalle University
Lackawanna College
Lafayette College
Lake Erie College of Osteopathic Medicine
Lancaster Bible College
Lebanon Valley College
Lehigh University
Lycoming College
Manor College
Marywood University
Mercyhurst University
Messiah College
Misericordia University
Moore College of Art & Design
Moravian College
Mount Aloysius College
Muhlenberg College
Neumann University
Peirce College
Pennsylvania College of Art & Design
Pennsylvania College of Health Sciences
Pennsylvania Institute of Technology
Philadelphia College of Osteopathic Medicine
Philadelphia University
Point Park University
Robert Morris University
Rosemont College
Saint Francis University
Saint Joseph's University
Saint Vincent College
Seton Hill University
Summit University of Pennsylvania
Susquehanna University
Swarthmore College
Thiel College
University of Pennsylvania
University of the Sciences
The University of Scranton
The University of the Arts
Ursinus College
Villanova University
Washington & Jefferson College
Waynesburg University
Westminster College
Widener University
Wilkes University
Wilmington University
Wilson College
The Wistar Institute
York College of Pennsylvania

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* Neither AICUP nor any AICUP member, other than any AICUP member in its individual capacity as the borrower of proceeds of a particular series of bonds issued in this financing program, has any liability for the repayment of any such series of bonds, or the loan of bond proceeds to the borrower.