

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
MAY 9, 2017**

Chairperson Evelyn F. Smalls presided over the Meeting of the Members of the Board of Directors of the Philadelphia Authority for Industrial Development held on Tuesday, May 9, 2017 at 5 p.m. in PIDC's Board Room, 26th floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

Other Members attending:

David L. Hyman
Dennis J. Pagliotti (via phone)
Thomas A. K. Queenan

Attending from PIDC staff:

John Grady, President
Sam Rhoads, Executive Vice President
Ilene Burak, Esquire, Senior Vice President/General Counsel
Cassie Gardner, Executive Assistant

Upon a motion duly made and seconded the Minutes of the meeting held on April 25, 2017 were unanimously approved.

Ms. Smalls requested approval of the following Resolutions:

- I. A resolution, in the form attached as Enclosure 1, authorizing the Philadelphia Authority for Industrial Development (PAID), at the direction of the City of Philadelphia, to retain Banc of America Preferred Funding Corporation, as the purchaser of the 2014 Series A Bonds.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements and to perform such other acts necessary to assist the City of Philadelphia upon such terms and conditions as they deem to be in the best interests of PAID.

Upon a motion duly made and seconded, the Members unanimously approved the above resolution.

- II. A Resolution, in the form attached as Enclosure 2, authorizing the issuance of tax-exempt bonds through the Philadelphia Authority for Industrial Development (PAID) in an amount not to exceed \$210,000,000, on behalf of The Children's Hospital of Philadelphia and The Children's Hospital of Philadelphia Foundation.

The proceeds of the bonds will be used by the Borrowers to finance (i) the current refunding of all of the Hospital and Higher Education Facilities Authority of Philadelphia's Hospital Revenue Bonds (The Children's Hospital of Philadelphia Project), Series A of 2007 and (ii) costs of issuance.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to do such other acts necessary to assist The Children's Hospital of Philadelphia and The Children's Hospital of Philadelphia Foundation upon such terms and conditions as they deem to be in the best interests of PAID.

Upon a motion duly made and seconded, the Members unanimously approved the above resolution.

There being no further business before the Board, the meeting was adjourned.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

RESOLUTION

Adopted May 9, 2017

AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE SUPPLEMENTAL INDENTURE AND CONTINUING COVENANT AGREEMENT RELATED TO THE 2014A BONDS; AND AUTHORIZING OTHER NECESSARY ACTION

WHEREAS, Philadelphia Authority for Industrial Development (the "Authority") is organized and existing under the laws of the Commonwealth of Pennsylvania pursuant to the Economic Development Financing Law, as amended (the "Act"), with all powers necessary or appropriate to carry out and effectuate the purposes and provisions of the Act including, *inter alia*, the power to finance projects, including recreational facilities, sports facilities, and public facilities, and to issue bonds for any of its corporate purposes; and

WHEREAS, at the request of the City of Philadelphia (the "City"), the Authority previously issued its \$117,275,000 Lease Revenue Refunding Bonds, 2014 Series A (the "2014A Bonds") to finance a project consisting of the refunding of the Authority's outstanding Lease Revenue Bonds, 2007 Series B-1 and the payment of certain costs of issuance; and

WHEREAS, the 2014A Bonds were issued pursuant to a certain Trust Indenture dated as of April 1, 2001 (the "Original Indenture") as amended and supplemented, including by a Sixth Supplemental Indenture dated as of May 1, 2014 (the "Sixth Supplemental Indenture"), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee; and

WHEREAS, the 2014A Bonds were sold in a direct placement to Banc of America Preferred Funding Corporation (the "2014A Bond Purchaser"), and in connection therewith, the Authority entered into a Continuing Covenant Agreement dated as of May 1, 2014 (the "CCA"), with the 2014A Bond Purchaser, setting forth certain agreements related to the 2014A Bonds; and

WHEREAS, the 2014A Bonds are subject to mandatory tender on May 12, 2017; and

WHEREAS, the City has requested the Authority, and the Authority has determined, to either (i) have the 2014A Bonds retained by the 2014A Bond Purchaser in lieu of such mandatory tender or (ii) have the 2014A Bonds remarketed directly to such 2014A Bond Purchaser following such mandatory tender (the transactions described in clauses (i) and (ii) are referred to herein as the "Retention"), and, in either case to make certain amendments to the Sixth Supplemental Indenture and the CCA (the "Amendments") in connection with the Retention, including, but not limited to, changes in the applicable spread used to determine the

interest rate on the 2014A Bonds, the length of the interest period until the next mandatory tender and the provisions for remarketing the 2014A Bonds upon mandatory tender; and

WHEREAS, the Authority desires to authorize its Chairman or Vice Chairman to execute on behalf of the Authority, the Amendments and such other instruments and documents as shall be necessary or appropriate to effectuate the Retention.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT AS FOLLOWS:

1. Approval of the Retention. The Chairman and Vice Chairman of the Authority are each hereby authorized to approve the Retention, upon such terms as such officer shall approve, such approval to be conclusively evidenced by the execution of the Amendments as provided in Section 2 below.

2. Authorizing the Execution and Delivery of Amendments and Other Documents. The Chairman or Vice Chairman of the Authority is hereby authorized to execute and deliver, in the name of the Authority and on its behalf, and the Secretary, Assistant Secretary, or Treasurer is hereby authorized to attest, the Amendments and such other documents, agreements, security agreements, remarketing agreements, assignments, financing statements, instruments and certifications, as the executing officer determines to be reasonable and appropriate, upon the advice of counsel to the Authority, to effectuate the Retention, and to approve the final forms and substance thereof, and any amendments or supplements thereto before or after the initial execution and delivery thereof, such approvals to be conclusively evidenced by the execution thereof by the Chairman or Vice Chairman of the Authority, and the Secretary, Assistant Secretary, or Treasurer is hereby authorized to affix to all of such documents the seal of the Authority and to attest to the same, all as necessary and appropriate to accomplish the purposes of this Resolution.

3. Binding Effect of Covenants and Agreements. All covenants, obligations and agreements of the Authority set forth in this Resolution and in the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the Authority to the full extent authorized or permitted by law, and all such covenants, obligations and agreements shall be binding upon the Authority and its successors from time to time and upon any board or body to which any powers or duties affecting the same shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed by the Authority by the provisions of this Resolution or the documents authorized hereby shall be exercised or performed by the members, officers or other representatives of the Authority as may be required or permitted by law to exercise or perform the same. No covenant, obligation or agreement herein contained or contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any member, officer, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer executing any document authorized by this Resolution shall be liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

4. Approval of Director of Finance. The terms of the Amendments are subject to the approval of the Director of Finance of the City.

5. Further Action. Any officer or member of the Authority is hereby authorized and directed to execute such further documents, instruments and certificates and do such further things as may be necessary or proper to carry out the intent and purpose of this Resolution or any document herein authorized, including, but not limited to, giving any notices required in connection with the Retention.

6. Repeal of Inconsistent Resolutions. All prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistency.

7. Effective Date. This Resolution shall take effect immediately.

I, [_____], the (Assistant) Secretary of Philadelphia Authority for Industrial Development, hereby certify that the foregoing is a true, correct and complete copy of a resolution adopted by the Authority at a meeting held on May 9, 2017, notice of which was given in accordance with the requirements of law and the by-laws of the Authority and at which a quorum of the Authority was present and acted throughout; and that such resolution has not been amended, modified or repealed.

(Assistant) Secretary

Dated: May 9, 2017

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
PHILADELPHIA COUNTY, PHILADELPHIA

RESOLUTION

Adopted: May 9, 2017

APPROVING AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A SUPPLEMENT TO A LOAN AND TRUST AGREEMENT AND A PURCHASE CONTRACT; APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT, APPROVING THE DISTRIBUTION OF, EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; AUTHORIZING THE ISSUANCE OF UP TO \$210,000,000 AGGREGATE PRINCIPAL AMOUNT OF HOSPITAL REVENUE BONDS (THE CHILDREN'S HOSPITAL OF PHILADELPHIA PROJECT), SERIES OF 2017 IN ONE OR MORE SERIES; AUTHORIZING THE UNDERTAKING OF A PROJECT DESCRIBED HEREIN, AUTHORIZING THE PAYMENT OF BOND ISSUANCE EXPENSES; AUTHORIZING OFFICERS OF THE AUTHORITY TO TAKE RELATED ACTIONS; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, the Philadelphia Authority for Industrial Development (the "Authority") is an industrial development authority existing under and governed by the provisions of the Pennsylvania Economic Development Financing Law (formerly the Industrial and Commercial Development Law), Act of 1957, as amended; and

WHEREAS, the Act vests the Authority, *inter alia*, with power to provide financing and the development and promotion of commercial facilities, including healthcare facilities; and

WHEREAS, The Children's Hospital of Philadelphia (the "Hospital") and The Children's Hospital of Philadelphia Foundation (the "Foundation") are each a Pennsylvania nonprofit corporation, organized and existing under the laws of the Commonwealth of Pennsylvania; and

WHEREAS, the Hospital and the Foundation (collectively, the "Obligated Group") have requested the Authority to provide funds for a project consisting of: (a) refunding, on a current basis, of some or all of the Hospital and Higher Education Facilities Authority of Philadelphia's Hospital Revenue Bonds (The Children's Hospital of Philadelphia Project), Series A of 2007 issued in the original principal amount of \$222,825,000 (the "Series 2007A Bonds") and (b) paying the costs and expenses of issuing the Bonds (the "Project"); and

WHEREAS, at the request of the Obligated Group, the Authority has determined that it is in the best interests of the residents of the City of Philadelphia to participate in the financing of the Project and to issue for such purpose up to \$210,000,000 (exclusive of any original issue discount/premium) in aggregate principal amount of its hospital revenue bonds in one or more

series to be designated “Philadelphia Authority for Industrial Development Hospital Revenue Bonds (The Children’s Hospital of Philadelphia Project), Series of 2017” (the “2017 Bonds”); and

WHEREAS, the Authority desires to issue the 2017 Bonds under the terms of a First Supplemental Loan and Trust Agreement (the “First Supplement”), which amends and supplements the Loan and Trust Agreement dated as of September 1, 2014 (the “Original Loan and Trust Agreement” and together with the First Supplement, the “Loan and Trust Agreement”); and:

WHEREAS, the First Supplement shall secure the 2017 Bonds and provide for the payment of amounts thereunder sufficient to pay the principal or redemption price of, and interest on, the 2017 Bonds; and

WHEREAS, J.P. Morgan Securities LLC (the “Underwriter”), will purchase the 2017 Bonds pursuant to the terms and subject to the conditions set forth in a bond purchase agreement (the “Bond Purchase Agreement”), will distribute a Preliminary Official Statement (the “Preliminary Official Statement”) and a final Official Statement (the “Official Statement”) relating to the proposed sale of the 2017 Bonds and has requested that the Authority ratify, authorize and approve such distribution and authorize the execution on its behalf of the Official Statement in connection with the sale of the 2017 Bonds; and

WHEREAS, certain Board actions are required to be taken by the Authority as a prerequisite to the issuance and sale of the 2017 Bonds;

NOW THEREFORE, BE IT RESOLVED, by the Board of the Authority that:

Section 1. Pursuant to the provisions of the Act and subject to the conditions hereinafter set forth, the Authority hereby declares the financing of the Project to be an authorized undertaking of the Authority for the purpose of providing funds for the Project, and the Authority hereby authorizes the issuance of the 2017 Bonds in one or more series in fully registered form in the authorized denominations as set forth in the First Supplement, in an aggregate principal amount not to exceed \$210,000,000, exclusive of original issue discount/premium.

Section 2. The 2017 Bonds shall be issued and secured under the terms of the Loan and Trust Agreement by certain revenues and monies of the Obligated Group, which are pledged for the payment of principal or redemption price of, and interest on, all of the Bonds now or hereafter issued under the Loan and Trust Agreement, including the 2017 Bonds.

Section 3. The Chairman or Vice-Chairman of the Authority is hereby authorized and directed to execute, acknowledge and deliver to The Bank of New York Mellon Trust Company, N. A., as Trustee, the First Supplement, and the Secretary or Assistant Secretary is hereby authorized and directed to affix and attest the corporate seal of the Authority to, the First Supplement in such form as shall be approved by such officers executing the same with such changes therein as counsel to the Authority may advise and the officers executing the same may approve, their approval to be conclusively evidenced by their execution of said document. All payments which under the terms of the Loan and Trust Agreement are to be made to the Authority (excluding therefrom administrative expenses of the Authority and the Authority’s rights to indemnification thereunder), will be assigned, transferred, pledged and set over unto the Trustee for the purposes and under the provisions of the Loan and Trust Agreement.

Section 4. The form of the 2017 Bond in such form as will be contained in the form of the First Supplement approved in Section 3 hereof is hereby approved, with appropriate insertions and variations therefrom as are necessary or desirable to conform to the final terms of the 2017 Bonds provided in the Purchase Contract and the First Supplement. The 2017 Bonds shall be executed on behalf of the Authority by the manual or facsimile signatures of the Chairman or Vice-Chairman of the Authority and shall bear the Authority seal or a facsimile thereof, attested by the Secretary or Assistant Secretary of the Authority. Following such execution, the Chairman or Vice-Chairman is authorized and directed to deliver the 2017 Bonds to the Trustee for authentication and, when they have been authenticated, to deliver them or cause them to be delivered to the Underwriter against receipt of the agreed purchase price.

Section 5. Upon receipt of the proceeds of the sale of the 2017 Bonds, the Trustee is hereby authorized to deposit the same and make disbursements thereof and deposits as provided in the First Supplement, all as specified in a Closing Statement signed by the Chairman or Vice-Chairman of the Authority and approved by the Obligated Group and delivered to the Trustee.

Section 6. The Chairman or Vice-Chairman of the Authority is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in such form as approved by such officers executing the same and subject to such changes and modifications therein as counsel may advise and the officers executing the same may approve, the execution thereof to be conclusive evidence of such approval; provided that the aggregate principal amount of the 2017 Bonds does not exceed \$210,000,000, exclusive of any original issue discount/premium.

Section 7. The Chairman or Vice-Chairman of the Authority is hereby authorized to approve the form of Preliminary Official Statement with respect to the 2017 Bonds and to deem the Preliminary Official Statement final, except for the omission of such information which is dependent upon the final pricing of the 2017 Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934. The use and distribution of the Preliminary Official Statement with respect to the 2017 Bonds (and the final Official Statement in substantially such form), is hereby approved and the use and distribution by the Underwriter of such Preliminary Official Statement in connection with the public marketing of the 2017 Bonds is hereby ratified and approved. The Chairman or Vice-Chairman of the Authority is hereby authorized and directed to approve the contents of and execute the Official Statement with respect to the 2017 Bonds, containing such terms and provisions which are consistent with the First Supplement and the Purchase Contract in substantially the same form of the Preliminary Official Statement, with such changes and modifications therein as counsel may advise and the officers executing the same may approve, the execution thereof to be conclusive evidence of such approval.

Section 8. The appropriate officers of the Authority are hereby authorized, empowered and directed on behalf of the Authority (a) to execute, acknowledge and deliver and cause the corporate seal of the Authority to be affixed thereto, duly attested by the Secretary or the Assistant Secretary, any and all papers and documents, and to take all such other action not inconsistent with law, as may be necessary or appropriate in order to effectuate the execution and delivery of the agreements and documents approved herein, and any other documents necessary or appropriate in connection therewith, including a tax certificate, appropriate financing statements and documents necessary for the offering of the 2017 Bonds for sale under the securities laws of various states, as determined by the Underwriter and its counsel, and (b) to do

or cause to be done any and all acts and things necessary and proper for the execution or carrying out of the purposes of this Resolution, the Purchase Contract, the First Supplement, the Official Statement, the issuance and delivery of the 2017 Bonds, and the transactions contemplated under the foregoing documents.

Section 9. All attorney fees, commitment fees, and all other professional and advisory fees incurred in connection with the Project shall be paid by the Obligated Group. The Authority shall have no liability with respect to such costs. Fox Rothschild LLP is hereby appointed Bond Counsel and The Bank of New York Mellon Trust Company, N. A. is hereby appointed Trustee.

Section 10. All prior resolutions or parts thereof inconsistent herewith are hereby rescinded, cancelled and annulled.

Section 11. This Resolution shall take effect immediately upon its adoption.

(Assistant) Secretary

(Vice) Chairman

[SEAL]