

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
JUNE 20, 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, June 20, 2017 at 5:10 p.m. in PIDC’s Board Room, 26th floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

Other Members attending:

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

Attending from PIDC staff:

John Grady, President
Sam Rhoads, Senior 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 June 6, 2017 were unanimously approved.

Ms. Smalls requested approval of the following Resolutions:

- I. A Resolution authorizing PAID to submit a Redevelopment Assistance Capital Program (RACP) Grant Application to the Commonwealth of Pennsylvania’s Office of the Budget for an aggregate amount not to exceed \$3,000,000; and to enter into a Grant Agreement with the Office of the Budget on behalf of the grant recipient; and to enter into a Sub-grant Agreement with the appropriate entity of the following project:

Beneficiary of Prospective Award	Grant Amount
Monument RE LLC - Fresh Grocer of Monument	\$3,000,000
Total	\$3,000,000

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to do such other acts necessary 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 1, authorizing the issuance of tax-exempt revenue bonds through PAID, in an amount not to exceed \$140,000,000, on behalf of the Evangelical Services for the Aging, D/B/A Wesley Enhanced Living.

The proceeds of the Bonds will be used to finance (A) the refunding of any and all of the following series of outstanding revenue bonds (collectively the “Refunded Bonds”): (i) the Authority’s Revenue Refunding Bonds (Stapeley in Germantown Project), Series 2005A, B, and C.; (ii) the Authority’s Variable Rate Demand Revenue Bonds (Evangelical Manor Project), Series 2008; (iii) the Authority’s Revenue Bonds (Stapeley Hall -- Wesley Enhanced Living Obligated Group), Series 2011; (iv) the Retirement Communities Variable Rate Demand Revenue Bonds (Wesley Enhanced Living Obligated Group), Series 2005A and Series 2005B, issued by The Borough of Langhorne Manor Higher Education and Health; and (v) the Economic Development Revenue Note (Martins Run Project, Series of 2009), issued by the Delaware County Industrial Development; (B) the refinancing of a term loan issued by a commercial bank for the benefit of Stapeley Hall in 2011; (C) the financing of capital improvements, renovations and upgrades to existing independent living and personal care units, existing health care facilities and common areas; (D) the acquisition of new plant equipment and furnishings, and other facility enhancements at any or all of the Wesley communities; (E) the funding of certain resident refunds, accounts payable, working capital obligations and termination amounts owed pursuant to one or more interest rate hedge agreements; (F) the funding of a debt service reserve fund, if any; and (G) 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 Borrowers 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

BOND RESOLUTION

AUTHORIZING THE UNDERTAKING OF THE 2017 PROJECT AS DESCRIBED HEREIN ON BEHALF OF EVANGELICAL SERVICES FOR THE AGING (D/B/A WESLEY ENHANCED LIVING) AND ITS CONTROLLED AFFILIATES DESCRIBED HEREIN, INCLUDING THE REFUNDING OF CERTAIN OUTSTANDING REVENUE BONDS AND OTHER DEBT, INCLUDING CERTAIN PRIOR REVENUE BONDS OF THE AUTHORITY, AND THE FINANCING OF CERTAIN CAPITAL PROJECTS; MAKING CERTAIN FINDINGS; AUTHORIZING THE ISSUANCE OF THE 2017 BONDS DESCRIBED HEREIN IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$140,000,000; APPROVING TERMS OF THE BONDS AND APPLICATION OF PROCEEDS THEREOF; APPROVING THE EXECUTION OF CERTAIN FINANCING DOCUMENTS RELATING TO THE ISSUANCE AND SALE OF THE 2017 BONDS; RATIFYING CERTAIN PRIOR ACTIONS; APPOINTING BOND COUNSEL; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the Philadelphia Authority for Industrial Development (the “Authority”) is organized under the Pennsylvania Economic Development Financing Law, as amended, *codified at* 73 P.S. §§ 371-386 (the “Act”), and is empowered under the Act, among other things, to enter into contracts with respect to the financing of projects (as defined in the Act), including facilities for persons requiring special care, which promote industrial, commercial and other economic development and other public purposes of the Act; and

WHEREAS, Evangelical Services for the Aging (d/b/a Wesley Enhanced Living) (“Wesley”) is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”) and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), which is exempt from taxation under Section 501(a) of the Code, which through its controlled affiliates, including Maple Village (d/b/a Wesley Enhanced Living at Upper Moreland) (“Upper Moreland”), The New Heritage Towers (d/b/a Wesley Enhanced Living at Doylestown) (“Doylestown”), Evangelical Manor (d/b/a Wesley Enhanced Living at Pennypack Park) (“Pennypack Park”), Stapeley Hall (d/b/a Wesley Enhanced Living at Stapeley) (“Stapeley”), and Martins Run (d/b/a Wesley Enhanced Living Main Line) (“Main Line” and, together with Wesley, Upper Moreland, Doylestown, Pennypack Park, and Stapeley, collectively, the “Applicant”), operates certain continuing care retirement communities within the City of Philadelphia and in Bucks, Delaware and Montgomery Counties, Pennsylvania (collectively, the “Communities”); and

WHEREAS, the Applicant has requested financial assistance from the Authority through the issuance by the Authority of its Senior Living Facilities Revenue Bonds (Wesley Enhanced Living Obligated Group), Series 2017 (the “2017 Bonds”), in one or more series or sub-series, in a maximum aggregate principal amount of \$140,000,000, for the purpose of financing a project (collectively, the “2017 Project”) consisting generally of:

- (a) the refunding of any and all of the following series of outstanding revenue bonds (collectively the “Refunded Bonds”): (i) the Revenue Refunding Bonds (Stapeley in Germantown Project), Series 2005A, B, and C, issued by the Authority in the original aggregate principal amount of \$13,640,000; (ii) the Variable Rate Demand Revenue Bonds (Evangelical Manor Project), Series 2008, issued by the Authority in the original aggregate principal amount of \$20,000,000; (iii) the Revenue Bonds (Stapeley Hall -- Wesley Enhanced Living Obligated Group), Series 2011, issued by the Authority in the original aggregate principal amount of \$9,815,000; (iv) the Retirement Communities Variable Rate Demand Revenue Bonds (Wesley Enhanced Living Obligated Group), Series 2005A and Series 2005B, issued by The Borough of Langhorne Manor Higher Education and Health Authority in the original aggregate principal amount of \$36,420,000; and (v) the Economic Development Revenue Note (Martins Run Project, Series of 2009), issued by the Delaware County Industrial Development Authority in the original aggregate principal amount of \$7,000,000;
- (b) the refinancing of a term loan issued by a commercial bank for the benefit of Stapeley Hall in 2011 in the original principal amount of \$8,710,000;
- (c) the financing of capital projects of the Applicant and its corporate affiliates consisting of capital improvements and renovations and the acquisition of capital equipment, including, but not limited to, renovations and upgrades to existing independent living and personal care units, existing health care facilities and common areas, the acquisition of new plant equipment and furnishings, and other facility enhancements at any or all of the Communities;
- (d) the funding of certain resident refunds, accounts payable, working capital obligations and termination amounts owed pursuant to one or more interest rate hedge agreements;
- (e) the funding of a debt service reserve fund, if any, for the 2017 Bonds; and
- (f) the payment of some or all of the costs of issuance of the 2017 Bonds; and

WHEREAS, the Authority has determined, based solely upon information provided to it by the Applicant, that the 2017 Project will serve the public purposes of the Act and improve the economic and general welfare of the people of the City of Philadelphia and the Commonwealth by, among other things, establishing facilities and services for persons requiring special care and creating, developing and/or preserving business opportunities and employment within the City of Philadelphia and the Commonwealth; and

WHEREAS, the Authority expects that the 2017 Bonds will be sold in accordance with a proposal of RBC Capital Markets, LLC and/or such other or additional underwriter or underwriters as shall be selected by the Applicant (the “Underwriters”); and

WHEREAS, the Authority wishes to approve the 2017 Project and the financing thereof through the issuance of the 2017 Bonds; and

WHEREAS, the Authority shall submit the application or applications of the Applicant, together with this Resolution and the materials to the Secretary of the Department of Community and Economic Development (the "DCED Secretary") of the Commonwealth in order to obtain the approval of the DCED Secretary for the 2017 Project as and to the extent required pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED, by the Philadelphia Authority for Industrial Development as follows:

1. The Authority hereby finds and determines, based solely upon information provided by the Applicant without independent investigation of such information, that the 2017 Project will promote the public purposes of the Act and improve the economic and general welfare of the people of the City of Philadelphia and the Commonwealth by, among other things, establishing facilities and services for persons requiring special care and creating, developing and/or preserving business opportunities and employment, and the Authority further hereby determines, upon the advice of bond counsel, that the 2017 Project is eligible for financing under the Act and is hereby approved.

2. The Authority hereby undertakes to assist the Applicant in connection with the financing of the 2017 Project through the issuance of the 2017 Bonds in an aggregate principal amount not to exceed \$140,000,000, in one or more series or sub-series appropriately designated (which may be issued on the same or different dates), in compliance with the Act. The 2017 Bonds shall mature not later than 35 years after their original issue date, bear interest at tax-exempt or taxable and fixed or variable rates, or any combination thereof, and be subject to redemption, and certain such other features, all as shall be approved by any officer or member of the Board of the Authority, acting jointly or individually (each, an "Authorized Officer"), upon advice of the Authority's counsel, and as more particularly provided in the Purchase Contract hereafter described.

3. If deemed advantageous in connection with the issuance of one or more series of the 2017 Bonds, the Authority, upon advice of counsel, is hereby authorized to purchase or cause to be purchased, and the Bond Trustee (as defined below) is hereby authorized to accept on behalf of the Authority, a municipal bond insurance policy insuring the payment, when due, of the principal of and interest on such series of 2017 Bonds, and the Bond Trustee is further authorized to accept a liquidity facility or letter of credit for the payment of the purchase price of one or more series of 2017 Bonds upon tender for purchase, if applicable.

4. In the event the Applicant requests that the 2017 Bonds of any series bear a variable rate of interest (including daily or weekly demand bonds, indexed rate bonds, auction rate bonds, or other adjustable rate securities), the Authorized Officers, upon advice of counsel, are hereby authorized to approve the initial interest rate to be borne by such Bonds and the variable interest rate formula to be used in determining interest due on the 2017 Bonds thereafter, and, upon the request of the Applicant, to approve the appointment of an indexing agent, remarketing agent, auction or market agent, and/or broker-dealer, if required, to join in or accept any remarketing, auction agency, market agency, or broker-dealer agreement or agreements, and to take such other action as may be necessary in connection with a variable interest rate, including the authorization, acceptance or acknowledgement of any swap agreement, remarketing agreement or credit facility agreement.

5. The 2017 Bonds shall be issued in such denominations and form and under such terms as shall be set forth in the Indenture (hereafter defined) and approved by an Authorized Officer, upon advice of counsel. The execution of the 2017 Bonds with the manual or facsimile signature of any Authorized Officer, together with an original or facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority, is hereby authorized. Each Authorized Officer is hereby authorized and directed to deliver the 2017 Bonds

on behalf of the Authority, to or upon the order of the Underwriters against receipt of the purchase price therefor, together with any pre-issuance accrued interest (if any), all in accordance with the requirements of the Indenture.

6. Each Authorized Officer, upon advice of counsel, is hereby authorized and directed to take such action on behalf of the Authority as may be necessary or desirable to do any or all of the following:

(a) to cause the Authority to loan the proceeds of the 2017 Bonds to one or more of Wesley and its corporate affiliates (such loan recipients being referred to herein as the “Borrowers”) for the purpose of undertaking the 2017 Project;

(b) to execute and deliver such documents as may be necessary or desirable to issue and secure the 2017 Bonds (or if the 2017 Bonds are issued in separate series, in connection with each series, as appropriate), including, but not limited to, the following:

(i) one or more loan agreements or other financing agreements between the Authority and the Borrowers providing for the loan to the Borrowers of the proceeds of the 2017 Bonds (such agreement or agreements being hereinafter referred to as the “Agreement”), and providing therein for the payment by the Borrowers thereunder of loan payments sufficient, among other things, to pay the principal of and premium, if any, and interest on the 2017 Bonds, when due, and to accept, on behalf of the Authority, to evidence and secure the payment obligations of the Borrowers, a promissory note or promissory notes (each a “Master Note”), issued under and pursuant to a Master Trust Indenture (the “Master Indenture”) among Wesley, the Borrowers and any other direct or indirect corporate affiliates of Wesley, and UMB Bank, N.A. or another corporate trustee selected by the Applicant, as Master Trustee;

(ii) one or more trust indentures (the “Indenture”) between the Authority and UMB Bank, N.A. or another corporate trustee selected by the Applicant and satisfactory to the Authority (the “Bond Trustee”), providing for the issuance of and security for the 2017 Bonds (such indenture or indentures being hereinafter referred to as the “Bond Indenture”), and pursuant to which the Authority shall assign to the Bond Trustee its rights in the Agreement (other than its rights to receive payment of fees and to receive indemnification by the Applicant) and in any Master Note or Notes issued to or for the benefit of the Authority under the Master Indenture;

(iii) one or more bond purchase contracts between the Authority and the Underwriters, and approved by the Applicant, providing for the terms and conditions of the sale of the 2017 Bonds by the Authority to the Underwriters (such bond purchase contract or contracts being herein referred to as the “Purchase Contract”) ; and

(iv) such other documents, agreements, assignments, financing statements, instruments, and certificates as determined to be reasonable and appropriate by counsel for the Authority to provide for the issuance of the 2017 Bonds and to complete the financing for the 2017 Project as authorized by this Resolution;

(c) to complete the 2017 Project in compliance with the Act and the requirements of the Underwriters, including effecting the redemption of the Refunded Bonds upon or promptly following the issuance of the 2017 Bonds as herein provided;

(d) to cause the proceeds realized from the sale of the 2017 Bonds to be applied to the “costs of the 2017 Project” as that term is defined by the Act; and

(e) to do and perform for or on behalf of the Authority and in the name of the Authority all such acts and deeds as may be necessary, desirable or convenient to carry out the intent and purpose of this Resolution, to the end that the 2017 Project may be completed.; provided, however, that: (i) the 2017 Bonds shall not constitute the general obligation of the Authority; (ii) recourse on the 2017 Bonds and on the other instruments and documents executed and delivered by the Authority in connection therewith may be had only against the facilities comprising the 2017 Project and money due and to become due to the Authority from the Applicant, or other property pledged to secure the Applicant's obligations; (iii) the Authority shall not be generally liable for repayment of the 2017 Bonds; (iv) the 2017 Bonds shall not constitute an obligation of nor a pledge of general credit or taxing power of the City of Philadelphia or of the Commonwealth; and (v) the Applicant shall protect, indemnify and save the Authority harmless on account of the transactions contemplated hereby and shall pay all proper costs and expenses of the Authority in connection therewith.

Copies of all documents relating to the transactions authorized hereby, in final form as executed and delivered by the parties thereto, shall be filed with the official records of the Authority. The execution and delivery of such documents by the appropriate officers of the Authority shall be conclusive evidence of all approvals and determinations required hereby.

7. The officers of the Authority and the administrative staff of the Philadelphia Industrial Development Corporation, upon advice of the Authority's counsel and bond counsel, are hereby authorized and directed to take all other action necessary to accomplish the purposes of this Resolution, including the submission of an application to the DCED Secretary requesting approval of the 2017 Project together with all supporting documents and information as may be required by the Act or regulations of the Department of Community and Economic Development in connection with obtaining the approval of the DCED Secretary therefor.

8. In connection with the sale of the 2017 Bonds, the Authority hereby authorizes and approves the distribution by the Underwriters of one or more preliminary and final official statements or other offering materials as shall be approved by the Underwriters and the Applicant; provided, however, that the Authority shall not assume responsibility for the accuracy or adequacy of any information therein except as it shall relate to the Authority.

9. The Authority approves the refunding of the Refunded Bonds as and to the extent determined to be advantageous by the Applicant. In connection with the 2017 Project, the Authority and the Authorized Officers are authorized to take any and all action as may be necessary to refund the Refunded Bonds, including the calling of the Refunded Bonds (or any part thereof) for redemption upon the request of the Applicant in accordance with their terms and/or depositing funds for the payment and redemption thereof, together with other available moneys, under any escrow deposit or similar agreement with the trustee thereof for the benefit of the holders of the Refunded Bonds covered thereby to provide for the payment of the Refunded Bonds and the redemption thereof on the applicable redemption date.

10. The Authority hereby approves and ratifies the selection by the Applicant of Drinker Biddle & Reath LLP as bond counsel in respect to the issuance of the 2017 Bonds.

11. The Secretary or the Assistant Secretary of the Authority is hereby authorized and directed to certify copies of this Resolution to any party requesting the same as evidence of the authority hereby conferred upon the officers of the Authority, it being the intent and purpose of this Resolution that any instrument or document executed for and on behalf of and in the name of the Authority in connection with the 2017 Project shall be deemed to have been executed pursuant to the authority conferred by this Resolution.

12. All actions heretofore taken and all documents and instruments heretofore executed by or on behalf of the Authority in connection with the 2017 Project and the 2017 Bonds are hereby ratified and approved.

13. All costs of the 2017 Project including fees and expenses of the Authority, bond counsel and fees of attorneys for the Authority, shall be paid from the proceeds of the 2017 Bonds. If for any reason such 2017 Bonds are not issued, it is understood that all such fees shall be paid by the Applicant, and that the Authority shall have no responsibility therefor.

14. This Resolution shall take effect immediately upon adoption.

Adopted this 20th day of June, 2017.

CERTIFICATION

I, the undersigned (Assistant) Secretary of the Philadelphia Authority for Industrial Development, hereby certify that this is a true and correct copy of the Resolution adopted by the Board of the Philadelphia Authority for Industrial Development on June 20, 2017 at a duly called and convened public meeting of said Board; that public notice of said meeting was given as required by law; and that such Resolution and the votes thereon have been duly recorded in the minutes.

[SEAL]

By: _____
(Assistant) Secretary