

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
JUNE 6, 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 6, 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
Thomas A. K. Queenan

Attending from PIDC staff:

John Grady, 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 May 23, 2017 were unanimously approved.

Ms. Smalls requested approval of the following Resolutions:

1. A Resolution, in the form attached as Enclosure 1, authorizing PAID, at the direction of the City of Philadelphia, to issue its Revenue Bonds, Series 2017 in an amount not to exceed \$61,500,000. Proceeds from the 2017 Bonds will be used to finance (i) payment of certain costs of the City's affordable housing preservation programs; (ii) capitalized interest, if any, (iii) costs of credit or liquidity enhancement, if any and (iv) costs of issuance.

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 as deemed to be in the best interest of PAID.

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

2. A Resolution, in the form attached as Enclosure 2, authorizing the issuance of Multifamily Housing Revenue Bonds (the "Bonds") through PAID on behalf of OAHs University Sq. LP (the "Borrower"), in an amount up to \$150,000,000.

The proceeds of the Bonds will be used by the Borrower to finance the (i) acquisition and rehabilitation of an existing 442 unit residential rental housing facility known as University Square Apartments, located at 3901 Market Street in the City of Philadelphia; (ii) capitalized interest on the Bonds, if any, (iii) working capital expenditures related to the project, if any (iv) deposits to reserves, if any; and (v) 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 Borrower and its affiliates 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.

3. A Resolution, in the form attached as Enclosure 3, authorizing the issuance of one or more series of revenue bonds (the “Bonds”) through PAID, in an amount not to exceed \$53,000,000, on behalf of The University of the Arts (the “Borrower”).

The proceeds of the Bonds will be used by the Borrower to (i) currently refund the outstanding Pennsylvania Higher Educational Facilities Authority Philadelphia University (“PHEFA”) Revenue Bonds, Series of 2000 (ii) currently refund the PHEFA Philadelphia University Revenue Bonds, Series A of 2006, (iii) currently refund PAID’s Philadelphia University Revenue Bonds, Series A of 2015 (iv) refund an outstanding bank loan (v) finance the cost of certain capital projects on the Borrower’s campus; and (v) pay 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 Borrower, 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

Adopted: June 6, 2017

APPROVING A PROJECT TO FINANCE THE CITY OF PHILADELPHIA'S AFFORDABLE HOUSING PRESERVATION PROGRAMS, COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A SERVICE AGREEMENT BETWEEN THE AUTHORITY AND THE CITY OF PHILADELPHIA, AN INDENTURE AND A BOND PURCHASE AGREEMENT; AUTHORIZING AND APPROVING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING AND APPROVING THE EXECUTION, DELIVERY AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING AND DIRECTING THE ISSUANCE, EXECUTION AND DELIVERY OF THE BONDS; PROVIDING FOR THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT AND OTHER PROVISIONS OF THE BONDS; REQUESTING THE TRUSTEE TO AUTHENTICATE THE BONDS; AUTHORIZING INVESTMENT BY THE TRUSTEE; AUTHORIZING INCIDENTAL ACTION TO BE TAKEN BY OFFICERS OF THE AUTHORITY; APPOINTING CO-BOND COUNSEL; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, Philadelphia Authority for Industrial Development (the "Authority") is a public body and a body corporate and politic, exercising public powers of the Commonwealth of Pennsylvania (the "Commonwealth") as an agency thereof, created under and pursuant to the Pennsylvania Economic Development Financing Law, as amended and supplemented (the "Act"); and

WHEREAS, the Authority exists and operates under the Act for the public purposes of promoting, *inter alia*, the health, welfare and safety of the residents of the Commonwealth by promoting economic activity and efficiency, by alleviating or eliminating unemployment, blight and other unhealthy conditions and by otherwise providing public benefit and prosperity; and

WHEREAS, under the Act, the Authority has all powers necessary or appropriate to carry out and effectuate the purposes and provisions of the Act including, *inter alia*, the power to finance the Project (as defined below) and to issue its bonds for any of its corporate purposes; and

WHEREAS, the Authority desires to provide financial services to The City of Philadelphia (the "City") through the financing of the Project; and

WHEREAS, the City and the Authority have determined that the Authority will, at the direction, and with the cooperation, of the City, undertake pursuant to a Service Agreement between the City and the Authority (the “Service Agreement”) to provide financial services to the City through the financing of a project (the “Project”) consisting of (a) payment of certain costs of the City’s affordable housing preservation programs (the “Programs”) further described in Exhibit B to the Ordinance (as defined below); and (b) payment of costs of issuance of the 2017 Bonds (as defined below), capitalized interest on the 2017 Bonds, if any, and costs of credit or liquidity enhancement, if any, and in return, the City will pay to the Authority the Service Fee (as defined and described within the Service Agreement); and

WHEREAS, the City Council of the City, by Ordinance (Bill No. 161014) adopted December 8, 2016, approved by the Mayor on December 20, 2016 (the “Ordinance”) has (i) authorized and approved the execution and delivery of the Service Agreement; (ii) approved the issuance from time to time by the Authority of bonds, notes or other evidences of indebtedness (the “Obligations”) in an aggregate principal amount not to exceed \$60,000,000, net of original issue discount, plus amounts necessary for costs of issuance, amounts necessary to effect any refunding, interest on the Obligations and costs of credit or liquidity enhancement, at any one time outstanding, in one or more series, either as taxable or tax-exempt obligations, to finance the Programs, interest on the Obligations, costs of credit or liquidity enhancement, amounts necessary to effect any refunding, and the costs of issuing the Obligations; and (iii) authorized and approved the performance by the City of its obligation to pay in full when due the Service Fee payable under the Service Agreement and other amounts payable under the Service Agreement; and

WHEREAS, the City has requested the Authority to issue its revenue bonds (the “2017 Bonds”) to finance the Project; and

WHEREAS, the 2017 Bonds will be sold pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Authority and PNC Capital Markets LLC, acting for itself and as representative (the “Representative”) of a group of underwriters to be named therein (the “Underwriters”), and the City will deliver to the Authority and the Representative a Letter of Representations (the “Letter of Representations”) at the time of execution and delivery of the Bond Purchase Agreement; and

WHEREAS, the Underwriters propose to offer the 2017 Bonds for sale pursuant to a Preliminary Official Statement (the “Preliminary Official Statement”) and a final Official Statement (the “Official Statement”); and

WHEREAS, certain action is 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 Philadelphia Authority for Industrial Development that:

Section 1. The Authority hereby finds, determines and declares that financing the Project will further the public purposes of the Act and the purposes for which the Authority was created and continues to exist, and that the Project will be a “project” within the meaning of

that term as defined in the Act, and accordingly the Authority hereby approves the financing of the Project by the Authority as provided in this Resolution.

Section 2. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute, acknowledge and deliver to the City, and the Secretary or Treasurer of the Authority is hereby authorized and directed to affix and attest the corporate seal of the Authority to, the Service Agreement in substantially such form as Authority's Counsel and Co-Bond Counsel may advise and the officer executing the same may approve, such approval to be conclusively evidenced by such officer's execution thereof.

Section 3. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute, acknowledge and deliver to the Trustee, and the Secretary or Treasurer of the Authority is hereby authorized and directed to affix and attest the corporate seal of the Authority to, a Trust Indenture (the "Indenture") between the Authority and U.S. Bank National Association, as trustee (the "Trustee") providing for the issuance of the 2017 Bonds, in substantially such form as Authority's Counsel and Co-Bond Counsel may advise and the officer executing the same may approve, such approval to be conclusively evidenced by such officer's execution thereof.

Section 4. The Chairman or Vice Chairman of the Authority is hereby authorized to execute the Bond Purchase Agreement (and to accept the Letter of Representations) in substantially such forms as Authority's Counsel and Co-Bond Counsel may advise and the officer executing the same may approve, such approval to be conclusively evidenced by such officer's execution thereof, and such officer is hereby authorized to deliver signed copies thereof to the Representative and the City for and on behalf of the Authority.

Section 5. The preparation of the Preliminary Official Statement is hereby approved, and the Chairman or Vice Chairman of the Authority is hereby authorized to "deem final" the Preliminary Official Statement for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, in such form as Authority's Counsel, Co-Disclosure Counsel to the City and Co-Bond Counsel may advise and such officer may approve. The Chairman or Vice Chairman of the Authority is hereby authorized to sign and deliver the Official Statement on behalf of the Authority in substantially such form with such changes therein and any supplements thereto as Authority's Counsel, Co-Disclosure Counsel to the City and Co-Bond Counsel may advise and the officer executing the same may approve, such officer's approval to be conclusively evidenced by the execution thereof. The distribution of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the 2017 Bonds is hereby approved.

Section 6. The issuance of the 2017 Bonds is authorized and approved. The 2017 Bonds are hereby authorized and directed to be prepared for delivery in accordance with the terms of the Bond Purchase Agreement. The 2017 Bonds shall be in substantially such form as is permitted by the Indenture and as the Authority's Counsel and Co-Bond Counsel may advise and the officer executing the same may approve, such approval to be conclusively evidenced by such officer's execution thereof. The Chairman or the Vice Chairman and the Secretary or Treasurer of the Authority are hereby authorized and directed to execute the 2017 Bonds by their manual or facsimile signatures and the corporate seal of the Authority or the

facsimile thereof is hereby authorized to be imprinted thereon or affixed thereto. The Chairman or Vice Chairman of the Authority is authorized and directed to deliver the 2017 Bonds to the Trustee for authentication under the Indenture and, when authenticated, to deliver them or cause them to be delivered to the Representative on behalf of the Underwriters pursuant to the Bond Purchase Agreement against receipt of the purchase price therefor and to deposit the amounts so received with the Trustee as provided in the Indenture to be held and applied by the Trustee as provided in the Indenture. The 2017 Bonds shall be designated as approved by the Chairman or Vice Chairman of the Authority (such approval to be evidenced by execution of the 2017 Bonds), with appropriate subseries designation, if required. The terms of the 2017 Bonds are subject to the approval of the Director of Finance of the City as set forth in the Ordinance.

Section 7. The 2017 Bonds shall be issued in an aggregate principal amount not to exceed \$61,500,000, in one or more series, either as taxable or tax-exempt obligations, shall mature on the dates and in the series and amounts, shall be dated and numbered, in the denominations, and in registered form carrying the exchangeability privileges, be payable in the medium of payment on the dates and at such places, bear interest at the rates, be subject to mandatory and optional redemption prior to maturity and be entitled to the priorities in the revenues and receipts of the Authority, all as provided in the Indenture. The 2017 Bonds shall be limited obligations of the Authority and will be payable solely from the trust estate held under the Indenture. There shall be no other recourse under the 2017 Bonds against the Authority or any other property now or hereinafter owned by it.

Section 8. The Trustee is hereby requested to authenticate the 2017 Bonds and to deliver them to or upon the order of the Chairman or Vice Chairman.

Section 9. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor by it pursuant to the Indenture, which by the terms of the Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture, all subject to the terms and limitations contained in the Indenture.

Section 10. The officers of the Authority are hereby authorized and directed to appoint, upon the recommendation of the City Treasurer, such professional advisers or Underwriters for the 2017 Bonds, to make determinations, in cooperation with the City Treasurer, with respect to credit enhancement for the 2017 Bonds and to execute and deliver such other documents and instruments, including, without limitation, an agreement with the City and/or the Philadelphia Housing Development Corporation relating to the expenditure of proceeds of the 2017 Bonds, and to take such other action as may be necessary or appropriate in order to effectuate the execution, delivery and performance of the Bond Purchase Agreement, the Service Agreement and the Indenture, the distribution of the Preliminary Official Statement, the execution and delivery of the Official Statement and the consummation of the transactions described therein, and the issuance and sale of the 2017 Bonds, all in accordance with the provisions of this Resolution.

Section 11. The Authority hereby appoints Cozen O'Connor and Ahmad Zaffarese LLC as Co-Bond Counsel.

Section 12. The Authority approves, ratifies and confirms all action heretofore taken by officers and other persons in the name or on behalf of the Authority in connection with the undertakings herein contemplated.

Section 13. This Resolution shall take effect immediately upon its adoption. All prior resolutions or parts thereof inconsistent herewith are hereby repealed.

I, (Assistant) Secretary of the Philadelphia Authority for Industrial Development, do hereby certify that the above is a true and correct copy of the original Resolution adopted at the regular meeting of the Authority on June 6, 2017. I do further hereby certify that the above Resolution has not been amended, rescinded, cancelled or annulled since the date thereof and remains in full force and effect as of the date hereof.

Title: (Assistant) Secretary

Dated: _____, 2017

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
(COMMONWEALTH OF PENNSYLVANIA)

BOND RESOLUTION

June 6, 2017

APPROVING THE FINANCING OF A PROJECT; PROVIDING FOR AND AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF THE AUTHORITY'S REVENUE BONDS TO FINANCE SUCH PROJECT; AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH VOLUME CAP AND TAX CREDITS FOR THE PROJECT; DECLARING AN OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENSES; AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF SUCH DOCUMENTS AS MAY BE NECESSARY OR APPROPRIATE TO CONSUMMATE THE ISSUANCE AND SALE OF SUCH BONDS; APPROVING THE PREPARATION AND DISTRIBUTION OF CERTAIN DISCLOSURE DOCUMENTS; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT; APPOINTING BOND COUNSEL; AUTHORIZING THE OFFICERS OF THE AUTHORITY TO TAKE OTHER NECESSARY OR DESIRABLE ACTION; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, the Philadelphia Authority for Industrial Development (the "Authority") is authorized by the Pennsylvania Economic Development Financing Law, as amended (the "Act"), to lend funds to finance the costs of certain projects; and

WHEREAS, the Act further authorizes the Authority to issue revenue bonds or notes for the purposes of defraying the cost of any such project and all incidental expenses incurred in issuing such bonds and to secure the payment of such bonds as provided by the Act; and

WHEREAS, OAHS University Sq. LP has requested the Authority to issue up to \$150,000,000 aggregate principal amount of its bonds or notes (the "Bonds"), in one or more series in order to finance a project (the "Project") further described on Appendix A attached hereto; and

WHEREAS, the Authority proposes to sell the Bonds to one or more purchasers (collectively, the "Purchaser") approved by the Borrower (as defined below) pursuant to a placement agreement, bond purchase contract or other appropriate agreement (the "Purchase Contract"); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the "Indenture") among the Authority and a trustee (the "Trustee") to be selected by the Authority upon the recommendation of the Borrower; and

WHEREAS, the Authority will loan the proceeds of the Bonds to OAHS University Sq. LP and/or another affiliate of Orbach Affordable Housing Solutions LLC (together, the "Borrower") pursuant to a Loan Agreement (the "Agreement") between the Authority and the Borrower, and the Borrower will agree, among other things, pursuant to the Agreement, to make timely loan repayments in amounts equal to the principal of, premium, if any, and interest due on the Bonds; and

WHEREAS, the obligations of the Borrower under the Agreement may be guaranteed under a guaranty (the “Guaranty”) by one or more affiliates of Orbach Affordable Housing Solutions LLC; and

WHEREAS, a public hearing has been held on behalf of the Authority in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and the Authority will request the Mayor of the City of Philadelphia, Pennsylvania to approve the issue of the Bonds prior to their delivery; and

WHEREAS, the Authority desires to authorize the issuance, execution and delivery of the Bonds, and the execution and delivery of the documents, agreements and certificates further described herein and the undertaking of the Project, and desires to authorize any officer of the Authority to execute such documents, agreements and certificates on behalf of the Authority as shall be necessary or appropriate to issue the Bonds and to finance the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE AUTHORITY AS FOLLOWS:

1. Approval of the Project. In accordance with the purposes and objectives of the Act, the Authority hereby finds, determines and declares that financing the Project will be a “project” within the meaning of that term as defined in the Act, and approves of and undertakes the financing of the Project as described in the preambles of this Resolution, subject to such modifications as the Authority shall approve with the advice of its counsel.

2. Authorization and Execution of the Bonds; Loan to Borrower.

(a) In order to provide funds to pay the costs of the Project, the Authority is hereby authorized to issue the Bonds in aggregate principal amount of up to \$150,000,000, in one or more series, upon the terms and conditions further approved hereby.

(b) The issuance of the Bonds in one or more series is hereby approved, each series to bear interest on a tax-exempt or taxable basis, as advised by bond counsel. Each series of the Bonds shall be designated as approved by an officer of the Authority (such approval to be evidenced by execution of the Bonds) with appropriate subseries designation if required.

(c) The Bonds shall be special obligations of the Authority payable only out of the payments made by the Borrower under the Agreement. The Bonds shall not be in any way a debt or liability of the Commonwealth of Pennsylvania (the “Commonwealth”), the City of Philadelphia, Pennsylvania (the “City”) or of any political subdivision thereof and shall not create or constitute any indebtedness, liability or obligation of the Commonwealth, the City or any political subdivision, legal, moral or otherwise, nor shall the Bonds be payable out of any funds, revenues or properties of the Authority other than those pledged therefor. No taxing power of the City, the Commonwealth or any other political subdivision thereof is pledged to the payment of the principal or purchase price of the Bonds or interest thereon or any premium or other cost incident thereto. The Authority has no taxing power.

(d) The officers of the Authority are hereby authorized to approve the form, exact principal amount, maturity dates, interest rates, redemption provisions and other terms of each series of the Bonds, on the advice of its counsel and bond counsel, such approval to be conclusively evidenced by the execution of the Bonds as provided below.

(e) Any officer of the Authority is hereby authorized to execute the Bonds by manual or facsimile signature; any officer of the Authority is hereby authorized to attest by manual or facsimile signature and to affix the seal of the Authority on the Bonds (which is hereby authorized to be impressed or imprinted on the Bonds); and following such execution, the officers of the Authority are hereby authorized to deliver or to cause to be delivered the Bonds to the Purchaser against receipt of the purchase price plus accrued interest, if any, specified in the Purchase Contract, and to deposit and disburse such purchase price as provided in the Agreement.

(f) The proceeds of the Bonds shall be loaned to the Borrower to finance the Project, including reimbursement of the Borrower for costs paid by the Borrower prior to the issuance of the Bonds. The Agreement shall provide for the Borrower to make loan repayments in amounts sufficient to, among other things, meet the debt service requirements on the Bonds and any fees or other amounts due the Authority with respect to the Bonds.

3. Authorization of Purchase Contract. The Authority is hereby authorized to enter into the Purchase Contract with the appropriate parties providing for the sale of the Bonds to the Purchaser at negotiated sale, at such price, plus accrued interest, if any, and on such other terms as may be mutually agreed upon by all such parties. The Purchase Contract shall be in such form as may be approved by an officer of the Authority, on the advice of its counsel and bond counsel, such approval to be conclusively evidenced by the execution of the Purchase Contract by such officer. Any underwriter or placement agent utilized in connection with the sale of the Bonds shall be selected by the Authority upon the recommendation of the Borrower.

4. Authorization of Indenture and Agreement. The Authority is hereby authorized to enter into the Indenture with the Trustee and the Agreement with the Borrower. The Indenture and the Agreement shall be in such form as may be approved by an officer of the Authority, on the advice of its counsel and bond counsel, such approval to be conclusively evidenced by the execution thereof by such officer. The Authority is hereby authorized to assign, transfer and pledge to the Trustee substantially all of its rights under the Agreement, the Guaranty and/or any other documents or agreement providing security for the Bonds, except for certain reserved rights as set forth therein.

5. Volume Cap and Tax Credits. The Authority is hereby authorized to: (1) apply to the Pennsylvania Housing Finance Agency ("PHFA") for an allocation of tax-exempt private activity bond volume cap in an amount equal to the principal amount of the Bonds; (2) request that PHFA make the determinations required under Section 42(m)(2)(A) and (B) of the Internal Revenue Code, as amended (the "Code") on behalf of the Authority as the issuer of the Bonds, and issue a letter on behalf of PAID acknowledging that the housing credit dollar amount allocated to the Project does not exceed the amount necessary to assure project feasibility; and (3) take all other actions reasonable required to obtain tax-exempt private activity bond volume cap for the Bonds and to make available tax credits under Section 42 of the Code for the Project.

6. Reimbursement. in accordance with Treasury Regulation §1.150-2, the Authority hereby states its intention that a portion of the proceeds of the Bonds will be used to reimburse the Borrower for expenditures on costs of the Project originally paid prior to the date of the closing of the Bonds; the maximum principal amount of obligations expected to be issued to finance the Project is \$150,000,000

7. Execution and Delivery of Documents. Any officer of the Authority is hereby authorized to execute and deliver, in the name of the Authority and on its behalf, the following documents and to approve the final form 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, and any officer of the Authority is hereby authorized to affix to all of the following documents the seal of the Authority and to attest to the same:

- (a) The Indenture, the Agreement, the Guaranty and the Purchase Contract; and
- (b) such other documents, agreements, assignments, mortgages, subordination agreements, restrictive covenant agreements, security agreements, financing statements, instruments and certifications (including a Federal Tax Certificate, Tax Regulatory Agreement and I.R.S. Form 8038), as the executing officer determines to be reasonable and appropriate to provide for the issuance of the Bonds, to make available tax credits under Section 42 of the Code for the Project and to complete the financing for the Project as authorized by this Resolution.

8. Disclosure Documents. In connection with the sale of the Bonds, the preparation and distribution is hereby approved of appropriate disclosure documents setting forth certain information relating to the Authority, the Borrower, the Project and the Bonds in such shall be as approved by an officer of the Authority upon advice of counsel to the Authority and bond counsel.

9. Appointment of Bond Counsel. Cozen O'Connor is hereby appointed as bond counsel to the Authority for the issuance of the Bonds.

10. Dating of Bonds and Documents. Any officer of the Authority is hereby authorized to approve the dated date for each series of the Bonds and all other documents authorized hereby, such approval to be conclusively evidenced by the execution of the Bonds and such other documents as authorized hereby.

11. 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 upon the Authority or the members thereof by the provisions of this Resolution or the documents authorized hereby shall be exercised or performed by such 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 the Bonds, the Indenture, the Agreement, the Guaranty, the Purchase Contract or any other 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.

12. Further Action. Any officer of the Authority is hereby authorized and directed to execute such further documents 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.

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

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

CERTIFICATE OF SECRETARY

The undersigned, (Assistant) Secretary of the Philadelphia Authority for Industrial Development (the "Authority"), hereby certifies that the foregoing is a true and correct copy of the Resolution which was adopted by a majority vote of the Authority, at a meeting thereof held after due public notice as required by law, on June 6, 2017.

(SEAL)

BY: _____
(Assistant) Secretary

Appendix A

Project Description

- (1) The acquisition and rehabilitation of University Square Apartments, located at 3901 Market Street, Philadelphia, PA 19104, including through the acquisition, directly or indirectly, of all of the partnership interests in University Plaza Associates. University Square Apartments is comprised of 442 one-bedroom units in a high-rise apartment building. The rehabilitation of University Square Apartments will include the modernization of each unit to include new kitchens, bathrooms, flooring, electrical and plumbing, upgrades to major building systems, and renovation of other facilities that are reasonably related and subordinate to the Project. The building also features indoor and outdoor recreational and relaxation space.
- (2) Capitalized interest on the Bonds, if any, and working capital expenditures related to the Project, if any.
- (3) Deposits to reserves, if any.
- (4) Costs of issuance of the Bonds.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
PHILADELPHIA COUNTY, PHILADELPHIA

RESOLUTION

Adopted: June 6, 2017

APPROVING THE FORM OF AND AUTHORIZING AND DIRECTING THE ISSUANCE OF UNIVERSITY REVENUE BONDS (THE UNIVERSITY OF THE ARTS), SERIES OF 2017; AUTHORIZING THE UNDERTAKING OF A PROJECT DESCRIBED HEREIN; AUTHORIZING OFFICERS OF THE AUTHORITY TO EXECUTE AND DELIVER ALL REQUIRED DOCUMENTS AND 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;

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

WHEREAS, The University of the Arts (the “Borrower”), is a Pennsylvania nonprofit corporation and institution of higher education located in Philadelphia, Pennsylvania;

WHEREAS, the Borrower has requested the Authority provide funds for a project (the “Project”) to: (i) refund, on a current basis, the Pennsylvania Higher Educational Facilities Authority’s \$30,400,000 original principal amount of The University of the Arts University Revenue Bonds, Series of 2000, the Pennsylvania Higher Educational Facilities Authority’s \$18,000,000 original principal amount of The University of the Arts University Revenue Bonds, Series A of 2006, the Authority’s \$6,570,000 original principal amount The University of the Arts Revenue Bond, Series of 2015 and a mortgage note secured by one of its buildings; (ii) finance the cost of certain capital projects on the Borrower’s campus, including without limitation, renovation and adaptive re-use of various academic facilities to accommodate the School of Music currently housed in rented facilities, renovation and modernization of academic facilities, renovation and consolidation of the University’s libraries, modernization of elevators, stabilization and repair to building facades, replacement of windows, roofs and skylights, HVAC replacements and upgrades, replacement of dance floors and various other capital repairs and improvements to address deferred maintenance needs; and (iii) pay the costs of issuance and insuring, if applicable, of the Bonds;

WHEREAS, in order to finance the Project, the Authority will issue up to \$53,000,000 (not including original issue premium) in aggregate principal amount of its tax-exempt bonds to

be designated “Philadelphia Authority for Industrial Development The University of the Arts Revenue Bonds, Series 2017” (the “Bonds”). The Bonds will be issued pursuant to a Trust Indenture (the “Indenture”) between the Authority and The Bank of New York Mellon Trust Company, N. A. as bond trustee (the “Trustee”);

WHEREAS, the proceeds from the sale of the Bonds shall be loaned to the Borrower pursuant to the terms of a Loan Agreement (the “Loan Agreement”) between the Authority and the Borrower. The proceeds from the sale of the Bonds shall be applied by the Borrower for and towards the costs of the Project;

WHEREAS, after inquiry, and based upon the representations of the Borrower, the Authority has determined that the financing of the Project through the issuance of the Bonds will serve the public purposes of the Act.

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

1. The Authority hereby finds and determines that the financing of the Project through the issuance of the Bonds is consistent with the public purposes of the Act, namely to promote industrial, commercial and other economic development.

2. For the purpose of financing the Project, the Authority hereby approves the issuance and sale of the Philadelphia Authority for Industrial Development University Revenue Bonds The University of the Arts, Series of 2017.

3. The Authority shall enter into the Indenture and the Loan Agreement substantially on such terms and conditions as may be acceptable to counsel to the Authority.

4. Pursuant to the provisions of the Loan Agreement, the Authority will loan the proceeds of the Bonds to the Borrower and the Borrower will agree, among other things, to make certain loan repayments in amounts and at times equal to the principal of, premium, if any, and interest on the Bonds.

5. The Authority shall enter into an Assignment of Loan Agreement (the “Assignment”) pursuant to which the Authority shall assign all of its right, title and interest (except for its right to indemnification and payment of its fees and expenses) in and to the Loan Agreement and the loan installments payable thereunder to the Trustee to secure the Bonds.

6. Any officer of the Authority is hereby authorized, empowered and directed to execute, attest, acknowledge and deliver, as applicable, the Indenture, the Loan Agreement and the Assignment, all substantially in the forms of such instruments as may be acceptable to counsel to the Authority, with such terms and conditions therein or modifications thereto as such counsel may approve, their execution and delivery thereof to constitute conclusive evidence of such approval.

7. The Authority hereby authorizes the issuance, delivery and sale of the Bonds, in fully registered form, in an aggregate principal amount not to exceed \$53,000,000 (not including original issue premium). The terms and conditions of the Bonds (including, without limiting the

generality of the foregoing, the denomination thereof, interest rates, interest payment dates, maturity dates and redemption provisions thereof) and the form of the Bonds shall be as approved by counsel to the Authority and Bond Counsel and shall be acceptable to the officers of the Authority who execute and deliver the Bonds, their execution and delivery thereof to constitute conclusive evidence of such approval. The interest rate on the Bonds shall not exceed ten percent (10%) per annum and the maturity of the Bonds shall not exceed forty (40) years.

8. Any officer of the Authority is hereby authorized, empowered and directed to execute, by true or facsimile signature, Bonds, and to cause to be affixed thereto a facsimile of or the true corporate seal of the Authority, and any officer of the Authority is authorized, empowered and directed to attest, by true or facsimile signature, the execution of the Bonds and the affixing of the corporate seal; and such officers of the Authority are authorized and directed to deliver the Bonds to the Trustee for authentication in accordance with the provisions of the Indenture.

9. The Authority hereby authorizes and approves the appointment of RBC Capital Markets, LLC as the underwriter in connection with the issuance, offer and sale of the Bonds (the "Underwriter"). Any officer of the Authority, in the name and on behalf of the Authority, are authorized, empowered and directed to execute and deliver to the Underwriter a definitive bond purchase contract or bond placement agreement with respect to the Bonds (the "Bond Purchase Contract") providing for the sale and purchase of the Bonds, in such form as approved by the Borrower and counsel to the Authority. The execution by such officers of the Bond Purchase Contract shall evidence conclusively the Authority's approval of the terms and conditions of the Bond Purchase Contract and the Bonds described therein.

10. The Authority hereby authorizes and approves the preparation of a Preliminary Official Statement and an Official Statement in connection with the offer and sale of the Bonds. Any officer of the Authority is hereby authorized and empowered, in the name and on behalf of the Authority, to execute and deliver a definitive Official Statement in connection with the issuance of the Bonds, when such Official Statement is acceptable to such officers of the Authority and counsel to the Authority and containing such additional or different information relating to the Authority as such officers, in their sole discretion, with the approval of counsel to the Authority may deem necessary or appropriate, their execution and delivery thereof to constitute conclusive evidence of their approval of such Official Statement as it relates to the Authority. Any officer of the Authority is authorized to designate the Preliminary Official Statement and the Official Statement as a "nearly final official statement" and as a "final official statement," respectively, for purposes of Rule 15c2-12 of the Securities Exchange Commission under the Securities Exchange Act of 1934.

11. Any officer of the Authority is authorized and directed to proceed promptly with the undertakings herein contemplated. Such officers are authorized, empowered and directed to do any and all acts and things and to execute and deliver any and all documents, agreements, instruments or certificates that may be necessary, proper or desirable to effect the transactions contemplated by this Resolution, including, but not limited to, the execution and delivery of such documents, instruments, certificates, agreements, financing statements, letters, etc. as may be reasonably requested by Bond Counsel and as may be approved by counsel for the Authority. The execution and delivery, by any officer of the Authority, of any and all such documents,

instruments or certificates that may be necessary, proper or desirable to effect the transactions contemplated by this Resolution shall constitute conclusive evidence of approval of any such document, instrument or certificate, as applicable, by the Authority.

12. This Authority approves, ratifies and confirms all action heretofore taken by officers and other persons in the name or on behalf of the Authority in connection with the undertakings herein contemplated.

13. All attorney fees, commitment fees, and all other professional and advisory fees incurred in connection with the Project shall be paid by the Borrower. 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.

14. Any officer of the Authority is hereby authorized to attest, and to affix a facsimile of or the true corporate seal of the Authority to any and all documents or certificates authorized by these resolutions. This Resolution shall become effective immediately.

15. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the Authority that such remainder shall be and shall remain in full force and effect.

16. All resolutions or parts of resolutions inconsistent herewith are repealed.

I, the undersigned (Assistant) Secretary of the Philadelphia Authority for Industrial Development, hereby certify that the foregoing is the text of the Resolution adopted by said Authority at a meeting held June 6, 2017 after the giving of the required public notice and at which a quorum was present.

(Assistant) Secretary

[SEAL]