

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
October 22, 2019**

Chairperson Evelyn Smalls presided over the Meeting of the Members of the Board of Directors of the Philadelphia Authority for Industrial Development held on Tuesday, October 22, 2019 at 5:00 p.m. in PIDC's Board Room, 35th floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

Other Members attending:

Kate Hagedorn
Christina Wong
Thomas A. K. Queenan

Attending from PIDC staff:

John Grady, President
Ilene Burak, Esq., Senior Vice President and General Counsel
Cassie Gardner, Executive Assistant

Upon a motion duly made and seconded the Minutes of the meeting held on October 10, 2019 were unanimously approved.

Chairperson Smalls requested approval of the following Resolutions:

- I. A Resolution, in the form attached at Enclosure 1, authorizing PAID to obtain the approvals necessary for the issuance of a tax-exempt financing through the Chester County Health and Education Facilities Authority ("CCHEFA"), on behalf of the Borrower and certain affiliates, in an amount not to exceed \$36,000,000 for all facilities cumulatively.

The proceeds of the proposed financing will be used to finance the (i) refunding of the Authority's Revenue Bond, Series of 2016 issued on behalf of Simpson House, Inc. (ii) miscellaneous capital improvements and equipment acquisition for each above aforementioned facility (iii) the funding of a debt service reserve fund, (iv) the funding of capitalized interest on a portion of the bonds and (v) payment of 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

RESOLUTION

AGREEING TO ASSIST IN THE FINANCING BY THE CHESTER COUNTY HEALTH AND EDUCATION FACILITIES AUTHORITY OF A PROJECT ON BEHALF OF SIMPSON HOUSE, INC. AND CERTAIN AFFILIATES; AND AUTHORIZING THE REDEMPTION, REFUNDING AND/OR DEFEASANCE OF A CERTAIN BOND ISSUE AS PART OF SUCH PROJECT AND THE TAKING OF NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION THEREWITH

WHEREAS, Simpson House, Inc. (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 "Code"), with facilities located in the City of Philadelphia, Pennsylvania; and

WHEREAS, Philadelphia Authority for Industrial Development ("PAID") previously issued on behalf of the Borrower the Philadelphia Authority for Industrial Development Revenue Bond, Series of 2016 (Simpson Senior Services Project) (the "2016 PAID Bond"); and

WHEREAS, the Borrower has requested that the Chester County Health and Education Facilities Authority (the "Chester County Authority") provide financial assistance by issuing its revenue bonds (the "Bonds") to finance a project (the "Project") on behalf of the Borrower and certain of its affiliates as further described in the TEFRA Notice attached hereto as Exhibit A which includes, among other things, the redemption, refunding and/or defeasance of the 2016 PAID Bond; and

WHEREAS, the Chester County Authority desires the assistance of the Philadelphia Authority for Industrial Development ("PAID") in the financing of the Project, the redemption, refunding and/or defeasance of the PAID 2016 Bond, and the issuance of the Bonds; and

WHEREAS, in connection with the financing by the Chester County Authority of the Project, PAID will be required to cooperate with appropriate officials of The City of Philadelphia, Pennsylvania, to provide notice of a public hearing for the purpose of securing the necessary public approval required under Section 147(f) of the Code; and

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

1. PAID hereby agrees to assist the Chester County Authority in the financing of the Project, including the redemption, refunding and/or defeasance of the 2016 PAID Bond, and the issuance of the Bonds.

2. The appropriate officers of PAID are hereby authorized and directed to take such action as may be necessary or desirable to do and perform for or on behalf of PAID to assist the Chester County Authority in connection with the Project including, without limitation, providing notice of a public hearing with respect to the Project and the issuance of the Bonds by the Chester County Authority and to report thereon to the Mayor of the City of Philadelphia, all as required by Section 147 of the Code.

3. Without limitation of the foregoing authorizations, the redemption, defeasance and/or refunding of the 2016 PAID Bond is hereby approved, and any officer of PAID is hereby authorized and directed, in consultation with counsel, to do such further things as may be necessary or desirable to effect such redemption, refunding and/or defeasance, including, but not limited to, the provision of any notice to the Administrative Agent or Banks (as defined under the Bond Purchase and Loan Agreement, dated as of December 1, 2016, relating to the 2016 PAID Bond), and the giving, or directing to be given, of other appropriate notice of such redemption, refunding and/or defeasance.

4. All costs of the Project, including fees and expenses of PAID, shall be paid by the Borrower from the proceeds of the financing or otherwise from its available funds, and PAID shall have no responsibility therefor.

5. This Resolution shall take effect immediately upon adoption.

Adopted this 22nd day of October, 2019.

I, the (Assistant) Secretary of Philadelphia Authority for Industrial Development, do hereby certify that the foregoing is a true, correct and complete copy of a resolution adopted by the Authority at a meeting held on October 22, 2019, 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

Exhibit A

TEFRA Notice

NOTICE OF PUBLIC HEARING

Notice is hereby given of a Public Hearing by the Chester County Health and Education Facilities Authority (the "Authority"), on behalf of itself, Chester County, Pennsylvania (the "County") and The City of Philadelphia, Pennsylvania (the "City"), to be held on November 1, 2019 at 10:00 a.m. prevailing time in the offices of Lamb McErlane PC, 24 East Market Street, West Chester, Pennsylvania 19382. Such hearing will be conducted for the purpose of receiving public comment with respect to the proposed issuance by the Authority of tax-exempt revenue bonds (the "Bonds") to finance and/or refinance projects in the County and the City on behalf of the companies of which Simpson (as defined below) is the sole member as follows:

- A. **Significant True Beneficial Party of Interest:** Simpson Senior Services ("Simpson"), a Pennsylvania nonprofit corporation and an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), is the sole member of the Pennsylvania nonprofit corporations that own and operate the respective nonprofit, continuing care retirement communities related to the Projects (defined below).
- B. **Description of Projects:** The Projects consist of the issuance of qualified 501(c)(3) bonds as defined in Section 145 of the Internal Revenue Code of 1986, as amended, to finance and refinance: (i) independent living, assisted living, personal care and skilled nursing care facilities; (ii) similar long and short term residential and healthcare facilities; and (iii) working capital expenditures (the "Projects") at the following locations.
- C. **Maximum Stated Principal Amount of the Bonds by Project Location:**
 - 1. \$36,000,000 at Simpson House located at 2101 Belmont Avenue, Philadelphia, Pennsylvania.
 - 2. \$10,000,000 at Simpson Meadows located at 101 Plaza Drive, Downingtown, Pennsylvania.
 - 3. \$10,000,000 at Jenner's Pond located at 2000 Greenbriar Lane, West Grove, Pennsylvania.

This notice is published, and the public hearing is being held by the Authority as the issuer of the Bonds and on behalf of the County and the City, as required by section 147(f) of the Code and regulations promulgated thereunder.

Additional information concerning the above may be obtained from, and any written comments should be addressed to the Authority c/o its counsel Lamb McErlane, PC, 24 East Market Street, West Chester, Pennsylvania 19382, Attention: James E. McErlane/Helen H. Mountain (telephone: (610) 430-8000). In accordance with the Americans with Disabilities Act of 1990, the needs of persons requesting special accommodations (hearing or visually impaired) shall be met if the Authority's counsel is notified at least 48 hours prior to the public hearing as provided above in this paragraph.

CHESTER COUNTY HEALTH AND EDUCATION FACILITIES AUTHORITY