

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT  
October 23, 2018**

Chairperson Smalls presided over the Meeting of the Members of the Board of Directors of the Philadelphia Authority for Industrial Development held on Tuesday, October 23, 2018 at 5:00 p.m. in PIDC's Board Room, 26<sup>th</sup> floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

Other Members attending:

David 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 October 9, 2018 were unanimously approved.

Chairperson 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) to submit a "Business In Our Sites (BIOS)" grant application on behalf of E Smith Properties LLC (Developer) to the Commonwealth Financing Authority (CFA) for an amount not to exceed \$4,000,000 to fund demolition, remediation and site preparation work associated with the Venice Island redevelopment project.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to take such other acts necessary to assist E Smith Properties LLC or its nominee or assignee 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 to the PAID Board for consideration and approval.

- II. A Resolution, in the form attached as Enclosure 2, authorizing approval of a tax-exempt financing through the Philadelphia Authority for Industrial Development ("PAID" or the "Authority") in an amount not to exceed \$9,000,000, on behalf of the Borrower.

The proceeds of the bonds will be used to finance (i) the refinancing of taxable loans, the proceeds of which were applied to the acquisition and development of a multi-level building which is being leased by the Borrower to Pan American Academy Charter School for its use as a K-8 grade charter school and to Congreso de Latinos Unidos, (ii) funding of a debt service

reserve fund, (iii) payment of capitalized interest on the bonds, and (iv) funding of all or a portion of the costs of issuance of the bonds.

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 to the PAID Board for consideration and approval.

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

**RESOLUTION**

*Business In Our Sites Application  
Venice Island Redevelopment Project*

Be it RESOLVED, that the Philadelphia Authority for Industrial Development (PAID or Authority ) of the City and County of Philadelphia hereby request a Business in Our Sites Grant in the amount of \$4,000,000 from the COMMONWEALTH FINANCING AUTHORITY THROUGH THE Department of Community and Economic Development of the Commonwealth of Pennsylvania to be used for the Venice Island Redevelopment Project.

Be it FURTHER RESOLVED, that the Applicant does hereby designate Evelyn F. Smalls, Chairperson and Samuel V. Rhoads, Assistant Secretary to execute all documents and agreements between the Authority and the COMMONWEALTH FINANCING AUTHORITY THROUGH THE Pennsylvania Department of Community and Economic Development to facilitate and assist in obtaining the requested grant/loan.

I, David Hyman, duly qualified Secretary of the Authority, of Philadelphia County, PA, hereby certify that the forgoing is a true and correct copy of a Resolution duly adopted by a majority vote of the Board of Directors at a regular meeting held October 23<sup>rd</sup>, 2018 and said Resolution has been recorded in the Minutes of the Authority and remains in effect as of this date.

IN WITNESS THEREOF, I affix my hand and attach the seal of the Authority, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
County

\_\_\_\_\_  
Secretary

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

AUTHORIZING THE ISSUANCE OF UP TO \$9,000,000 AGGREGATE PRINCIPAL AMOUNT OF REVENUE BONDS, DESIGNATED AS THE AUTHORITY'S "REVENUE BONDS, SERIES OF 2018 (2800 AMERICAN STREET COMPANY PROJECT);" AUTHORIZING THE UNDERTAKING OF A PROJECT FOR 2800 AMERICAN STREET COMPANY ("BORROWER") AND AN ASSIGNMENT TO THE TRUSTEE OF THE AUTHORITY'S INTEREST UNDER THE LOAN AND TRUST AGREEMENT REFERRED TO HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT AND AWARDING THE BONDS TO THE UNDERWRITER IN ACCORDANCE WITH THE TERMS THEREOF; AUTHORIZING AND DIRECTING THE EXECUTION, AUTHENTICATION AND DELIVERY OF THE BONDS; APPROVING THE USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE BONDS; AUTHORIZING A CONTINUING DISCLOSURE AGREEMENT AND OTHER NECESSARY AND APPROPRIATE DOCUMENTS.

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"), and has the power and authority to issue revenue obligations to pay costs of "educational facilities" as defined in the Act; and

WHEREAS, Borrower is a non-profit corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania that owns 2830 American Street, Philadelphia, Pennsylvania and the approximately 57,000 square foot facility thereon (the "Project Facility"); and

WHEREAS, Borrower leases a portion of the Project Facility to Pan American Academy Charter School, a non-profit corporation (the "School") pursuant to a lease (the "Lease") for its use as a K-8 grade charter school; and

WHEREAS, the Authority, at the request of Borrower, proposes to undertake a project involving the (i) refinancing of a taxable loan, the proceeds of which were applied to the refinancing of two taxable loans, the proceeds of which were applied to the acquisition and

development the Project Facility, which is being leased by Borrower to the School and to Congreso de Latinos Unidos, a Pennsylvania not-for-profit corporation (ii) funding certain improvements to the Project Facility, (iii) funding of a debt service reserve fund for the Bonds, (iv) payment of capitalized interest on the Bonds and funding a repair and replacement fund, and (v) funding of all or a portion of the costs of issuance of the Bonds (collectively the “Project”); and

WHEREAS, at the request of Borrower and in order to finance the Project, the Authority has determined to issue one or more series of its revenue bonds (the “Bonds”) pursuant to a Trust Indenture (the “Indenture”) by and between the Authority and U.S. Bank, N.A., as trustee for the holder of the Bonds (the “Trustee”) and the proceeds of the Bonds will be loaned by the Authority to the Borrower pursuant to a Loan and Trust Agreement (the “Loan Agreement”) by and between the Authority and Borrower; and

WHEREAS, pursuant to the Loan Agreement, the Authority shall lend and make available to Borrower the proceeds of the Bonds to be applied to the Project, and Borrower shall make (or cause the School to make pursuant to the Lease) periodic payments thereunder to the Authority in amounts sufficient to pay the Authority’s administrative expenses and to provide funds for payment of the principal of, and interest on, the Bonds and other moneys due from the Authority to the Trustee; and

WHEREAS, as security for the payment of the Bonds, the Authority will assign to the Trustee its right, title and interest in and to the Loan Agreement and the trust estate established thereunder; and

WHEREAS, the obligations of Borrower under the Loan Agreement will be further secured by a mortgage on the Project Facility and an assignment of the Lease from Borrower in favor of the Trustee; and

WHEREAS, the Bonds are to be fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof, and the forms of the Bonds, the form of assignment and the form of Trustee’s Authentication Certificate are to be substantially as set forth in the Loan Agreement; and

WHEREAS, in connection with the offering and sale of the Bonds, the Authority will enter into a bond purchase contract (the “Bond Purchase Contract”) by and among the Authority, Borrower and PNC Capital Markets LLC or a successor underwriter to be designated by Borrower, as underwriter (the “Underwriter”) pursuant to which the Underwriter will offer to purchase the Bonds upon the terms and conditions set forth therein; and

WHEREAS, the Authority, Borrower and the Underwriter will prepare for use by the Underwriter in connection with the offer and sale of the Bonds a preliminary official statement (the “Preliminary Official Statement”) and an official statement (the “Official Statement”) relating to Borrower, the Authority, the School and the Bonds; and

WHEREAS, it is intended that the interest payable on one of the series of the Bonds shall be excludable from the gross income of the holders thereof for federal income tax purposes, and

accordingly Borrower and the Authority propose to enter into a tax certificate (the “Tax Certificate”) in order to provide for and establish certain matters relating to such excludability of interest; and

WHEREAS, a public hearing was held on October 23, 2018 in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and the Mayor of the City of Philadelphia will be requested to approve the issuance of the Bonds prior to their delivery; and

WHEREAS, the Authority desires to authorize and approve the Project, the issuance, execution and delivery of the Bonds, and the execution and delivery of the Loan Agreement, the Bond Purchase Contract, the Preliminary Official Statement, the Official Statement and such other instruments and documents as shall be necessary or appropriate to effect the purposes of this Resolution.

NOW, THEREFORE, be it resolved by the Board of this Authority as follows:

1. The Authority hereby finds, determines and declares that:

(a) the Project will further the public purposes of the Act and the purposes for which the Authority was created and continues to exist, and accordingly the Authority hereby approves the Project and the financing thereof, and of the aforementioned related financing costs of the Authority as provided in this Resolution, and

(b) the Project shall be submitted to the Department of Community and Economic Development of the Commonwealth of Pennsylvania for approval.

2. For the purposes of providing funds for the Project (including the payment of financing costs), the Authority hereby authorizes the issuance of the Bonds in fully registered form in minimum denominations of \$5,000 and in integral multiples of \$5,000, in an aggregate principal amount of up to \$9,000,000, pursuant to the provisions of the Act and subject to the conditions of the Bond Purchase Contract.

3. The Authority shall undertake the financing of the Project pursuant to the Act and shall loan the proceeds of the Bonds to Borrower on the terms and conditions set forth in the Loan Agreement.

4. The provisions for loan repayments and other sums payable under the Loan Agreement is hereby approved. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Loan Agreement in such form as may be approved by the Chairman or Vice Chairman upon the advice of the Authority’s Counsel and Bond Counsel, such execution to be conclusive evidence of such approval, and the Secretary or Assistant Secretary is hereby authorized and directed to affix thereto the corporate seal of the Authority and to attest the same.

5. The Bonds shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Board of the Authority in such form as may be approved by

the Chairman or Vice Chairman upon the advice of the Authority's Counsel and Bond Counsel, such execution to be conclusive evidence of such approval, and shall have the corporate seal or a facsimile thereof attached thereon, duly attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority and such officers are hereby authorized and directed to execute, or cause to be executed, the Bonds in such manner. The Chairman or Vice Chairman is further authorized and directed to deliver the Bonds to the Trustee for authentication and delivery, and the Trustee is hereby requested, authorized and directed to authenticate and deliver the same to, or upon the order of, the Chairman or Vice Chairman of the Authority.

6. The Bonds shall be in such denominations, shall be dated as of such date, shall bear interest, mature and be subject to redemption, all as set forth in the Bond Purchase Contract; provided the final terms of the Bonds shall have been approved by Borrower, the term of the Bonds shall not exceed 40 years and Underwriter's discount shall not exceed 2.00%. Payment of the principal or redemption price of the Bonds shall be made to the registered owner of each Bond in the manner and at the times set forth in the Bonds and in the Loan Agreement.

7. The Authority hereby authorizes and approves the execution of a Preliminary Official Statement and an Official Statement in such form as counsel to the Authority and the Chairman or Vice Chairman of the Board shall approve. The Preliminary Official Statement shall be "deemed final" by the Authority in the Bond Purchase Contract, and its use and distribution by the Underwriter in connection with the offering by the Underwriter of the Bonds is hereby approved. An Official Statement in substantially the same form as the Preliminary Official Statement, with such changes, if any, as may be advised by the Authority's Counsel and Bond Counsel and as may be approved by the Authority's officer executing the same, such approval to be conclusively evidenced by the execution thereof, is hereby authorized and directed to be prepared and upon its preparation, to be executed by the Chairman or Vice Chairman. The Authority hereby further approves the distribution and use of the Official Statement as so prepared and executed in connection with the sale of the Bonds.

8. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to accept, execute and deliver the Bond Purchase Contract to the Underwriter, in such form as may be advised by the Authority's Counsel and Bond Counsel and as may be approved by the Authority's officer executing the same, such approval to be conclusively evidenced by the execution thereof. The Authority further authorizes and directs that the Bonds shall be delivered to the Underwriter after execution and authentication thereof, against receipt of the full purchase price therefor and the performance (or waiver) of all other conditions of the Bond Purchase Contract as fully executed.

9. The Authority shall instruct the Trustee to be hold and disburse all of the net proceeds of the Bonds as provided in the Loan Agreement.

10. The Chairman or Vice Chairman of the Authority, upon the advice of the Authority's Counsel and Bond Counsel, are hereby authorized, empowered and directed, on behalf of the Authority, to approve or execute and deliver a continuing disclosure agreement and any and all additional certificates, documents and instruments (including but not limited to appropriate documents necessary to permit the offering of the Bonds for sale under the securities

laws of various states, as determined by the Underwriter and its counsel) and to do or cause to be done any and all acts and things, in any such case which are necessary or appropriate for the execution or carrying out of the purposes of this Resolution, the Loan Agreement and in the issuance, sale and delivery to the Underwriter of the Bonds.

11. The Chairman, Vice Chairman, or any other officer of this Authority are authorized to execute and cause to be filed one or more IRS Form 8038 and any other letters, elections, statements, certificates, documents, including, but not limited to, the Tax Certificate and other certificates, that may be necessary in the opinion of Bond Counsel (as hereinafter defined) and counsel to this Authority to assure and maintain the tax-exempt status of the Bonds, as required by the Code, and the regulations promulgated thereunder. The execution and delivery by any officer of the Authority of each Form 8038 and any and all such other letters, elections, statements, certificates, documents or instruments shall constitute conclusive evidence of approval of any and all such other letters, elections, statements, certificates, documents and instruments, as applicable, by the Authority.

12. The Chairman, Vice Chairman, or any other officer of this Authority are hereby authorized and directed, jointly and severally, to take such further actions and execute such additional documents, including any amendments or supplements thereto, as may be necessary or appropriate to effectuate the matters contemplated by this Resolution, to implement and complete the Project, to issue and sell the Bonds, or to otherwise effectuate the purposes of this Resolution.

13. Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania, is hereby appointed Bond Counsel, The Bank of New York Mellon Trust Company, N.A. is hereby appointed Trustee and PNC Capital Markets LLC (or any successor to its underwriting business to be designated by Borrower) is hereby appointed to serve as Underwriter with respect to the Bonds.

14. The Authority approves, ratifies and confirms all action heretofore taken by its officers and other persons in the name of an on behalf of this Authority in connection with the undertakings herein contemplated.

15. The issuance and sale of the Bonds shall not be construed so as to give rise to any pecuniary liability of the Authority or any of its members, officers, or employees, or to give rise to a charge upon the general credit of the Authority or such members, officers or employees, including without limitation in respect of general liability for repayment of the Bonds; any pecuniary liability hereunder of the Authority shall be limited exclusively to the extent provided for in the Loan Agreement.

**16. Notwithstanding any other provision of this Resolution, the Bonds, when and if issued, shall not be deemed an obligation of the City and County of Philadelphia, the Commonwealth of Pennsylvania or any other political subdivision thereof, and shall be payable solely from the payments made by on or behalf of Borrower. No recourse shall be had for the payment of principal or the redemption price of or the interest on the Bonds or for any other claim based on the Bonds, against the Authority or any successor body,**

**against any officer, board member or employee of the Authority, past, present or future, or against any other moneys, accounts, rights or other assets the Authority may possess.**

17. In the event any provisions, 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 this Authority that such remainder shall be and remain in full force and effect.

18. Copies of the documents relating to the transactions authorized hereby, in final form as executed and delivered by the parties thereto, shall be filed in the official records of the Authority.

19. 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 Loan Agreement, the Bond Purchase Contract, or any other documents 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.

20. This resolution shall become effective immediately. All prior resolutions or parts thereof inconsistent herewith are hereby rescinded, cancelled and annulled.

Adopted: October 23, 2018

CERTIFICATE OF SECRETARY

The undersigned, (Assistant) Secretary of the Board of Philadelphia Authority for Industrial Development HEREBY CERTIFIES that:

The foregoing Resolution authorizing the issuance of up to \$9,000,000 aggregate amount of its Revenue Bonds, Series 2018 ( 2800 American Street Company Project) was duly moved and seconded and adopted by a majority vote of all members of the Board of the Authority at a duly called and convened public meeting of said Board held on October 23, 2018; that public notice of said meeting was given as required by law.

WITNESS my hand and seal of the Authority this \_\_\_\_ day of October, 2018.

\_\_\_\_\_  
(Assistant) Secretary

(Seal)