

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT  
October 9, 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 9, 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:

Kate Hagedorn  
David Hyman  
Thomas A. K. Queenan

Attending from PIDC staff:

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

Upon a motion duly made and seconded the Minutes of the meeting held on September 25, 2018 were unanimously approved.

Chairperson Smalls requested approval of the following Resolutions:

- I. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to:  
1) enter into leases with the City of Philadelphia and subleases with selected project users for renovation of parks, playgrounds, libraries, recreational centers, and other related facilities throughout the City ("Rebuild Program"); 2) enter into sub-grant agreements with PIDC Community Capital to receive grant funds from foundations and private donors for the Rebuild Program; and 3) enter into grant agreements with project users to fund the Rebuild Program projects.

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 City of Philadelphia upon such terms and conditions as they deem to be in the best interests of PAID.

Upon a motion duly made and seconded, the Members unanimously recommended the above Resolution.

- II. A Resolution, in the form attached as Enclosure 1, authorizing the Philadelphia Authority for Industrial Development ("PAID" or the "Authority"), at the direction of the City of Philadelphia (the "City"), to issue Revenue Bonds (the "2018 Bonds" or the "Bonds") in an amount not to exceed \$ 100,000,000, and further authorizing PAID to enter into a Service Agreement with the City of Philadelphia to secure repayment of the Bonds.

Proceeds from the 2018 Bonds will be used to finance (i) certain costs of a project consisting of (a) improvements to, and the construction, demolition, renovation and equipping of, the City's

parks, libraries, playgrounds, recreation centers and other related facilities, and related costs such as workforce diversity and inclusion programs, community engagement and program administration under the City's program generally referred to as "Rebuild" (the "Rebuild Program"), (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 as deemed to be in the best interest of PAID.

Upon a motion duly made and seconded, the Members unanimously recommended the above Resolution.

- III. A Resolution, in the form attached at Enclosure 2, authorizing the issuance of tax-exempt and or taxable revenue bonds (the "Bonds") through the Philadelphia Authority for Industrial Development ("PAID" or the "Authority") in the form attached hereto, in an amount not to exceed \$26,000,000, on behalf of 8001 Torresdale Corporation and New Foundations Charter School, Inc.

The proceeds of the Bonds will be used by the Corporation to finance (i) the acquisition, demolition and renovation of 4763 Rhawn Street, Philadelphia, Pennsylvania for use by the School as additional charter school facilities; (ii) the refunding of the Authority's \$14,000,000 Revenue Bonds, Series of 2012, (iii) the refunding of the Cheltenham Township IDA's \$9,050,000 Series 2007-A Note (iv) the refunding of the Telford IDA's \$1,800,000 Series 2002 B Construction Line of Credit Permanent Mortgage Note; (v) the payment of capitalized interest and required reserves if deemed necessary; and (vi) 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 Corporation and the School upon such terms and conditions as they deem to be in the best interests of PAID.

Upon a motion duly made and seconded, with Mr. Hyman abstaining (see Encl. 3), the Members unanimously recommended the above Resolution.

- IV. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to provide a loan in the amount of \$150,000 for a term of three years at an interest rate of 1% along with a \$150,000 grant to the University of Pennsylvania or its nominee or assignee.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and do such other acts necessary to assist the University of Pennsylvania 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 recommended the above Resolution.

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

**PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT**

**Adopted: October 9, 2018**

**APPROVING A PROJECT TO FINANCE CERTAIN COSTS OF THE CITY OF PHILADELPHIA'S PROGRAM GENERALLY REFERRED TO AS "REBUILD", COSTS OF ISSUANCE FOR THE 2018 BONDS 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 2018 BONDS; PROVIDING FOR THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT AND OTHER PROVISIONS OF THE 2018 BONDS; REQUESTING THE TRUSTEE TO AUTHENTICATE THE 2018 BONDS; AUTHORIZING INVESTMENT OF BOND PROCEEDS BY THE TRUSTEE; AUTHORIZING INCIDENTAL ACTION TO BE TAKEN BY OFFICERS OF THE AUTHORITY; APPOINTING CO-BOND COUNSEL; AUTHORIZING REIMBURSEMENT FROM THE PROCEEDS OF THE 2018 BONDS FOR COSTS EXPENDED ON THE PROJECT DESCRIBED HEREIN PRIOR TO ISSUANCE OF THE 2018 BONDS; 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 use of urban centers, the construction and improvement of public facilities, and the health, welfare and safety of the residents of the Commonwealth by promoting economic activity and efficiency, and by otherwise providing public benefit and prosperity; and

**WHEREAS**, it has been determined and declared in the Act as a matter of legislative policy that there continues to exist a need in the Commonwealth to build and improve facilities owned by municipalities, including, but not limited to, *inter alia*, publicly owned park and library facilities; 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 costs of public facilities, including the Project (as defined below), and to issue its bonds for any of its corporate purposes; and

**WHEREAS**, the Authority desires to carry out its purposes by providing financial services to The City of Philadelphia (the “City”) through the financing of certain costs 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 certain costs of a project (the “Project”) consisting of (a) improvements to, and the construction, demolition, renovation and equipping of, the City’s parks, libraries, playgrounds, recreation centers and other related facilities, and related costs such as workforce diversity and inclusion programs, community engagement and program administration under the City’s program generally referred to as “Rebuild” (the “Rebuild Program”); and (b) payment of costs of issuance of the 2018 Bonds (as defined below), capitalized interest, if any, on the 2018 Bonds 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. 170206) adopted June 22, 2017, approved by the Mayor on June 28, 2017 (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 \$300,000,000, net of original issue discount, plus amounts necessary for costs of issuance, amounts necessary to effect any refunding of Obligations, 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 or refinance the Rebuild Program, interest on the Obligations, costs of credit or liquidity enhancement for the 2018 Bonds, 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 “2018 Bonds”) to finance certain costs of the Project; and

**WHEREAS**, the 2018 Bonds will be sold pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Authority and Siebert Cisneros Shank & Co., L.L.C., acting for itself and as representative (the “Representative”) of a group of underwriters to be named therein (collectively, 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 2018 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 2018 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 Chairperson or Vice Chairperson 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 Chairperson or Vice Chairperson 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 2018 Bonds, in substantially such form and on such terms 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 Chairperson or Vice Chairperson of the Authority is hereby authorized and directed 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 Chairperson or Vice Chairperson 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 Chairperson or Vice Chairperson 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 such officer's execution thereof. The distribution of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the 2018 Bonds is hereby approved.

Section 6. The issuance of the 2018 Bonds is authorized and approved. The 2018 Bonds are hereby authorized and directed to be prepared for delivery in accordance with the terms of the Bond Purchase Agreement and the Indenture. The 2018 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 Chairperson or the Vice Chairperson and the Secretary or Treasurer of the Authority are hereby authorized and directed to execute the 2018 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 Chairperson or Vice Chairperson of the Authority is authorized and directed to deliver the 2018 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 2018 Bonds shall be designated as approved by the Chairperson or Vice Chairperson of the Authority (such approval to be evidenced by execution of the 2018 Bonds), with appropriate subseries designation, if required. The terms of the 2018 Bonds are subject to the approval of the Director of Finance of the City as set forth in the Ordinance.

Section 7. The 2018 Bonds shall be issued in an aggregate principal amount not to exceed \$100,000,000, 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 2018 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 2018 Bonds against the Authority or any other property now or hereafter owned by it.

Section 8. The Trustee is hereby requested to authenticate the 2018 Bonds and to deliver them to the Representative on behalf of the Underwriters upon the order of the Chairperson or Vice Chairperson.

Section 9. The Trustee is hereby, 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 2018 Bonds, to make determinations, in cooperation with the City Treasurer, with respect to credit enhancement for the 2018 Bonds and to execute and deliver such other documents and instruments, including, without limitation, an intergovernmental cooperation agreement with the City or other entity relating to the expenditure of proceeds of the 2018 Bonds or otherwise in connection with the Project, together with any amendments or supplements required by or at the direction of the City and satisfactory to Bond Counsel after the sale of the 2018 Bonds, and to take such other action as may be necessary or appropriate in order to effectuate the implementation and completion of the Project, 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, delivery and distribution of the Official Statement and the consummation of the transactions described therein, and the issuance and sale of the 2018 Bonds, or otherwise effectuate the purposes of this Resolution, all in accordance with the provisions of this Resolution.

Section 11. The Authority hereby appoints Cozen O'Connor and Turner Law, P.C., 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. In accordance with Treasury Regulation §1.150-2, the Authority hereby states its intention that a portion of the proceeds of the 2018 Bonds will be used to reimburse itself or the City for expenditures for the Project originally paid prior to the date of issuance of the 2018 Bonds. The Authority intends to reimburse itself or the City for such original expenditures through the incurrence of debt to be evidenced by the 2018 Bonds. All original expenditures to be reimbursed will be capital expenditures (as defined in Treasury Regulation §1.150-1(b)), grants (as defined in Treasury Regulation §1.150-1(f)) or certain other expenditures qualifying pursuant to Treasury Regulation §1.150-2(f). The description of the type and use of the property for the original expenditures to be fully or partially reimbursed is costs relating to the Project. The maximum principal amount of the 2018 Bonds reasonably expected to be issued to reimburse the costs of the Project and to complete the Project is \$100,000,000.

Section 14. 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 October 9, 2018 at which a quorum was present and acting throughout. 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.

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Name:

Title: (Assistant) Secretary

Dated: October 9, 2018



PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

RESOLUTION

Adopted: October 9, 2018

AUTHORIZING THE UNDERTAKING BY THE AUTHORITY OF THE FINANCING OF A PROJECT FOR THE BENEFIT OF 8001 TORRESDALE CORPORATION; AUTHORIZING THE ISSUANCE OF UP TO \$26,000,000 AGGREGATE PRINCIPAL AMOUNT OF ONE OR MORE SERIES OF CHARTER SCHOOL REVENUE BONDS OF THE AUTHORITY FOR THE BENEFIT OF NEW FOUNDATIONS CHARTER SCHOOL; AUTHORIZING ALL ACTIONS OF THE AUTHORIZED OFFICERS OF THE AUTHORITY, INCLUDING WITHOUT LIMITATION THE APPROVAL, EXECUTION AND DELIVERY OF ALL FINANCING DOCUMENTS, NECESSARY AND APPROPRIATE TO EFFECTUATE THE ISSUANCE AND SALE OF THE BONDS AND FINANCING OF THE PROJECT.

WHEREAS, the Philadelphia Authority for Industrial Development (the “Authority”) is organized and existing under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”) pursuant to the Economic Development Financing Law, the Act of August 23, 1967, P.L. 251, as amended (the “Act”); and

WHEREAS, pursuant to the Act, the Authority has the power to issue revenue obligations to pay costs of “educational facilities” as defined in the Act, pending approval by the Department of Communities and Economic Development; and

WHEREAS, 8001 Torresdale Corporation (the “Borrower”), is a nonprofit corporation duly organized and existing under the laws of the Commonwealth and an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Borrower has made application to the Authority requesting that the Authority issue its revenue bonds, tax-exempt or taxable, in one or more series (the “Bonds”) to fund the costs of a project (the “Project”) that consists of:

- (i) acquisition, construction, renovation, improvement, furnishing and equipping of a building (“School Facilities”) for use as a charter school, and the 0.64 acres of land on which it is situated located at 4763 Rhawn St., Philadelphia, PA, 19136;
- (ii) refunding the Authority’s \$14,000,000 Revenue Bonds, Series of 2012 (New Foundations Charter School Project) (“2012 Bonds”), currently outstanding in the aggregate principal amount of \$13,975,000, the proceeds of which were loaned to the Borrower to finance (i) paying all or a portion of the costs of (a) acquisition, demolition and site preparation of the real property located at 4850 Rhawn St., Philadelphia, PA, 19136 (“Rhawn St. Property”) and (b) certain renovations to the Rhawn St. Property to suit it for lease and

use by the School as a public charter school (including as a 9<sup>th</sup> through 12<sup>th</sup> grade charter high school), which renovations included classrooms, science labs, a library, dining facilities, a gymnasium, and other rooms and related capital expenditures; (ii) funding a debt service reserve fund for the 2012 Bonds and capitalized interest; and (iii) paying all or a portion of the costs of issuance of the 2012 Bonds;

- (iii) refunding of the Cheltenham Township Industrial Development Authority's \$9,050,000 Series 2007-A Note (8001 Torresdale Project) ("2007 Note"), currently outstanding in the aggregate principal amount of \$6,753,982.93, the proceeds of which were loaned to the Borrower to (i) refinance the Borrower's then-outstanding loan to Premier Bank; (ii) pay or reimburse the Borrower for costs of (a) construction of a multi-story classroom addition of approximately 24,556 square feet to the existing educational facility located at 8001 Torresdale Avenue, Philadelphia, PA, 19111 ("8001 Torresdale Avenue Property") for lease and use by the School, (b) certain renovations to the 8001 Torresdale Avenue Property, (c) acquisition of equipment for the School, and (d) completing conversion of 8025 Torresdale Avenue, Philadelphia, Pennsylvania 19136 ("8025 Torresdale Avenue Property") to a parking lot for lease to the School; (iii) fund a portion of the cost of issuance of the tax-exempt financing; and (vii) other appropriate and lawful purposes;
- (iv) refunding of the Telford Industrial Development Authority's \$1,800,000.00 Series 2002 B Construction Line of Credit/Permanent Mortgage Note (8001 Torresdale Corporation), currently outstanding in the aggregate principal amount of \$658,341.04, the proceeds of which were loaned to the Borrower to (i) refinance existing debt of the Borrower; (ii) finance a portion of acquisition costs for the 8025 Torresdale Avenue Property; (iii) finance a portion of demolition costs of the existing building located on the 8025 Torresdale Avenue Property; (iv) finance a portion of paving of a parking lot located on the 8025 Torresdale Avenue Property; (v) finance a portion of construction costs of a 17,026 square foot building located on the 8001 Torresdale Avenue Property to contain a gymnasium, kitchen, classrooms and locker rooms; and (vi) finance a portion of costs for conversion of a portion of the existing 15,000 square foot building situated on the 8001 Torresdale Avenue Property from a multi-purpose room to classrooms;
- (v) paying capitalized interest on the Bonds, if deemed necessary in connection with the sale of the Bonds;
- (vi) funding any required reserves, if deemed necessary in connection with the sale of the Bonds; and
- (vii) paying allowable issuance costs of the Bonds; and

WHEREAS, to finance the Project, the Authority, at the Borrower's request, has determined to issue one or more series of its tax-exempt or taxable revenue bonds (the "Bonds"), pursuant to one or more trust indentures or trust agreements (as may be amended or supplemented from time to time, the "Indenture") between the Authority a commercial bank or trust company designated by the Borrower, as trustee for the holders on the Bonds (the "Trustee"), and to loan; and

WHEREAS, it is anticipated that the Bonds will be purchased directly by Sunflower Bank, N.A. or other financial institution (the "Purchaser") from the Authority pursuant to a Bond Purchase Agreement (the "Purchase Agreement") among the Authority, the Borrower, the Charter School and the Purchaser; and

WHEREAS, pursuant to one or more loan agreements (as may be amended or supplemented from time to time, the “Loan Agreement”) between the Authority and the Borrower, the Authority will lend the proceeds of the Bonds (the “Loan”) to the Borrower to pay costs of the Project and the Borrower will (i) repay the principal and interest on the Loan in the amounts and at the times necessary for the Authority to timely pay debt service on the Bonds and (ii) pay other amounts as required under the Loan Agreement and the Indenture, including without limitation periodic payments to the Authority in amounts sufficient to pay the Authority’s administrative expenses; and

WHEREAS, the Borrower desires to lease, as landlord, all or a portion of the School Facilities to New Foundations Charter School, a public charter school duly organized and validly existing under the Pennsylvania Charter School Law (24 P.S. §17-1701-A, *et seq.*) or an affiliate thereof or successor (by merger, consolidation, assignment or otherwise) thereto, as tenant (the “Charter School”), under a lease agreement between the Borrower and the Charter School (as may be amended or supplemented from time to time, the “Lease Agreement”); and

WHEREAS, the Charter School is a nonprofit corporation duly created and validly existing under the laws of the Commonwealth and a tax-exempt organization under Section 501(c)(3) of the Code; and

WHEREAS, to secure its obligations under the Loan Agreement, the Borrower may deliver to the Authority or to the Trustee, for the benefit of the Bondholders, such mortgages, assignments, guaranties, revenue pledges or other security, pursuant to one or more security agreements, including its rights under the Lease Agreement (collectively, the “Security Agreements”), as may be necessary in connection with the offering and sale of the Bonds, and the Authority may pledge and assign its rights under the Loan Agreement (including without limitation the Authority’s rights to the loan payments made by the Borrower thereunder) and any such Security Agreements to the Trustee for the benefit of Bondholders pursuant to one or more assignments (the “Assignments”); 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 Indenture, the Loan Agreement and other Security Agreements, the Assignments, the Purchase Agreement, and such other instruments and documents as shall be necessary or appropriate to effectuate the purposes of this Resolution.

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

Section 1. Approval of Project and Issuance of the Bonds. The Authority hereby authorizes and approves the undertaking of the Project and the issuance of the Bonds to finance all or a portion of the costs of the Project. The Bonds shall be issued in one or more series as tax-exempt and/or taxable bonds and secured pursuant to the Indenture in an aggregate amount not to exceed \$26,000,000. The Bonds shall be designated “Philadelphia Authority for Industrial Development Charter School Revenue Bonds, Series 2018” with such further designation or sub-designation as shall be set forth in the Indenture. The Bonds shall have a final maturity not exceeding 40 years, shall bear interest at a variable or fixed rate or rates to be established as provided in the Indenture and the Bonds, and shall contain such other terms and conditions as set forth in the Indenture and permitted in the Act.

Section 2. Approval of the Indenture and the Loan Agreement. The Authority hereby authorizes and approves the execution and delivery of the Indenture, and any amendments or supplements thereto, containing such terms and provisions as Bond Counsel, counsel to the Authority and the Authorized Officer (as defined in Section 5 hereof) of the Authority executing the Indenture shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

The Authority hereby authorizes and approves the execution and delivery of the Loan Agreement, and any amendments or supplements thereto, containing such terms and provisions as Bond Counsel, counsel to the Authority and the Authorized Officer of the Authority executing the Loan Agreement shall approve, such approval to be conclusively evidenced by such officer's execution thereof.

Section 3. Sale of the Bonds; Approval of the Purchase Agreement.

(a) The Authority hereby authorizes and approves the sale of the Bonds to the Purchaser. The Bonds shall be sold at such rates and on such terms and conditions as are set forth in the Purchase Agreement.

(b) The Authority hereby authorizes and approves the execution of the Purchase Agreement containing such terms and provisions as Bond Counsel, counsel to the Authority and the Authorized Officer of the Authority executing the same shall approve, such approval to be conclusively evidenced by such officer's execution thereof.

Section 4. Direction to Authorized Officers.

(a) For purposes of this Resolution, the Chairman or Vice Chairman of the Board of the Authority shall be deemed to be an "Authorized Officer." Each Authorized Officer may act jointly or severally in performing its duties hereunder.

(b) The Board of the Authority hereby authorizes and directs any Authorized Officer to execute and deliver the Bonds, the Indenture, the Loan Agreement, the Assignments, the Purchase Agreement, and any amendments or supplements thereto and, subject to the approval thereof by counsel to the Authority and the Authorized Officer executing the same, to execute and deliver any other agreement, amendment, supplement, instrument, certificate or other document required to be executed by the Authority in connection with the offering, issuance and delivery of the Bonds, and such execution and delivery shall be conclusive evidence of the approval thereof by the Board of the Authority.

(c) The Board of the Authority hereby authorizes and directs the Secretary, the Assistant Secretary or another Authorized Officer of the Authority to affix and attest the seal of the Authority to any document as may be required, and to attest the signature of any Authorized Officer where required.

Section 5. Further Action. The Authorized Officers 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.

Section 6. Prior Actions. All actions heretofore taken and all documents and instruments heretofore executed by or on behalf of the Authority in connection with the Project and the Bonds are hereby ratified and approved.

Section 7. Appointment of Bond Counsel, Trustee. Ballard Spahr LLP is hereby appointed Bond Counsel with respect to the issuance, offering and sale of the Bonds. The Authorized Officers are authorized to appoint a replacement Bond Counsel at the request of the Borrower; provided that any such replacement firm has satisfied the related application approval requirements of the Pennsylvania Department of Community and Economic Development for the issuance of bonds by the Authority under

the Act. The Authorized Officers are further authorized to appoint a qualified (pursuant to the Indenture) financial institution selected by the Borrower to serve as bond trustee for the Bonds.

Section 8. Limitation of Liability. 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 Indenture and Loan Agreement.

Section 9. Effective Date of Resolution. This Resolution shall take effect immediately.

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 October 9, 2018 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

Enclosure 3

October 9, 2018

John Grady, President  
Philadelphia Industrial Development Corporation  
2600 Centre Square West, 1500 Market Street  
Philadelphia, PA. 19102

James Leonard, Esq  
Commissioner of Records  
Department of Records  
Room 156, City Hall  
Philadelphia, PA. 19107

RE: Potential Conflicts of Interest - Chapter 20-600 Philadelphia Code

Dear Mr. Leonard.:

I am a Member of the Board of Directors of the Philadelphia Authority for Industrial Development (PAID). I am also Managing Partner of the law firm of Kleinbard LLC.

I participated in a meeting of the PAID Board on October 9, 2018 and disclosed that Kleinbard LLC represents the New Foundations Charter School, Inc., therefore, I announced my disqualification from consideration of a Resolution authorizing PAID to approve tax-exempt financing through the Philadelphia Authority for Industrial Development in an amount not to exceed \$26,000,000, on behalf of the and New Foundations Charter School, Inc.

The proceeds of the Bonds will be used by the Corporation to finance (i) the acquisition, demolition and renovation of 4763 Rhawn Street, Philadelphia, Pennsylvania for use by the School as additional charter school facilities; (ii) the refunding of the Authority's \$14,000,000 Revenue Bonds, Series of 2012, (iii) the refunding of the Cheltenham Township IDA's \$9,050,000 Series 2007-A Note (iv) the refunding of the Telford IDA's \$1,800,000 Series 2002 B Construction Line of Credit Permanent Mortgage Note; (v) the payment of capitalized interest and required reserves if deemed necessary; and (vi) costs of issuance.

Sincerely,

DAVID L. HYMAN, ESQUIRE

DLH/jg