

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
November 20, 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, November 20, 2018 at 5:00 p.m. in PIDC's Board Room, 26th floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

Other Members attending:

Kate Hagedorn
David Hyman
Thomas A. K. Queenan (via phone)

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 November 6, 2018 were unanimously approved.

Chairperson Smalls requested approval of the following Resolution:

- I. A Resolution, in the form attached as Enclosure 1, authorizing the issuance of tax-exempt 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 \$15,000,000, on behalf of Alliance for Education Foundation Inc.

The proceeds of the Bonds will be used by the Borrower to finance (i) the acquisition of 1821-39 Cecil B. Moore Avenue and certain renovations, furnishings and equipping thereof for use as a school building housing grades sixth through eighth; (ii) the acquisition of 1722-42 Cecil B. Moore Avenue, (the "New Campus") and demolishing existing structures thereon and constructing, furnishing, finishing and equipping of improvements to the New Campus for use as a school building housing grades kindergarten through fifth; (iii) a debt service reserve fund for the Bonds and capitalized interest, if necessary; and (iv) costs of issuance.

The appropriate officers are hereby authorized and empowered to execute all necessary and desired documents and agreements, and do such other acts necessary upon such terms and conditions as they deem to be in the best interests of PAID.

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

- II. A Resolution, in the form attached as Enclosure 2, supplementing and amending the bond Resolution adopted by the PAID Board at its meeting of May 8, 2018 which authorized the approval of a tax-exempt financing through the Philadelphia Authority for Industrial Development (“PAID” or the “Authority”) in an amount not to exceed \$23,000,000, on behalf of the Worlds of Opportunity Foundation and Independence Charter School.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements and to do such other acts necessary to assist the Borrowers upon such terms and conditions as they deem to be in the best interests of PAID.

Upon a motion duly made and seconded, with Mr. Hyman abstaining (see Enclosure 3), 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

Adopted November 20, 2018

AUTHORIZING A PROJECT FOR ALLIANCE FOR EDUCATION FOUNDATION INC.; AUTHORIZING AND DIRECTING THE ISSUANCE OF ONE OR MORE SERIES OF THE AUTHORITY'S REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000; APPROVING THE FORM AND EXECUTION OF CERTAIN FINANCING DOCUMENTS RELATING TO THE ISSUANCE AND SALE OF THE BONDS; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF THE BONDS; APPOINTING BOND COUNSEL; AND AUTHORIZING INCIDENTAL ACTION.

WHEREAS, the Authority is a body corporate and politic constituting a public instrumentality of the Commonwealth of Pennsylvania ("**Commonwealth**"), created under and pursuant to the Pennsylvania Economic Development Financing Law, Act No. 102 of the General Assembly of the Commonwealth, approved August 23, 1967 (P.L. 251), as amended and supplemented (the "**Act**"); and

WHEREAS, the Authority is authorized, pursuant to the Act to acquire, hold, construct, improve, maintain, operate, own, finance, and lease, either in the capacity of lessor or lessee, industrial, commercial, or specialized development projects; and

WHEREAS, Alliance for Education Foundation Inc. (the "**Foundation**") is a nonprofit corporation duly created and validly existing under the laws of the Commonwealth; and

WHEREAS, the Foundation has made application to the Authority requesting that the Authority undertake a project consisting the issuance of a one or more series of Revenue Bonds, Series 2018 of the Authority (the "**Bonds**"), the proceeds of which will be used to finance (i) the acquisition of 1821-39 Cecil B. Moore Avenue, Philadelphia, PA and certain renovations, furnishings and equipping thereof for use as a school building housing grades six through eight; (ii) the acquisition of 1722-42 Cecil B. Moore Avenue, Philadelphia, PA (the "**New Campus**") and demolishing existing structures thereon and constructing, furnishing, finishing and equipping of improvements to the New Campus for use as a school building housing grades kindergarten through five; (iii) a debt service reserve fund for the Bonds and capitalized interest thereon, if necessary; and (iv) certain costs of issuance relating to the Bonds (collectively, the "**2018 Project**"); and

WHEREAS, the Bonds will be issued pursuant to the terms of a bond purchase, loan and security agreement or other similar financing agreement (the "**Bond Purchase and Loan Agreement**") among the Authority, the Foundation and a purchaser or purchasers as may be

designated by the Foundation and not determined by the Authorized Officers (as defined in Section 7(a) hereof) to be unacceptable to the Authority (the “**Bond Purchaser**”); and

WHEREAS, pursuant to the Bond Purchase and Loan Agreement, the Authority will make proceeds of the Bonds available to the Foundation to fund and undertake the 2018 Project; and

WHEREAS, pursuant to the Bond Purchase and Loan Agreement, the Foundation will agree to make payments to the Bond Purchaser, as assignee of the Authority, sufficient to pay when due, *inter alia*, the principal or redemption price of and interest on the Bonds; and

WHEREAS, in order to evidence its obligations to the Authority with respect to the Bonds and the Bond Purchase and Loan Agreement, the Foundation will execute and deliver to the Authority its promissory note (the “**Foundation Note**”), which Foundation Note shall be assigned by the Authority to the Bond Purchaser pursuant to an assignment thereof (the “**Assignment of Foundation Note**”); and

WHEREAS, the Authority has determined that the 2018 Project represents an authorized undertaking by the Authority pursuant to the Act; and

WHEREAS, certain action is required to be taken by the Authority as a prerequisite to the issuance and sale of the Bonds and the financing of the 2018 Project;

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

Section 1. Approval of 2018 Project and the Issuance of the Bonds. The Authority hereby approves the 2018 Project as an authorized undertaking by the Authority and authorizes the issuance of the Bonds and approves the application of the proceeds thereof for the purpose of financing the 2018 Project.

Section 2. Approval of the Bond Purchase and Loan Agreement. The Authority hereby authorizes and approves the execution and delivery of the Bond Purchase and Loan Agreement by and among the Authority, the Bond Purchaser and the Foundation, containing such terms and provisions as bond counsel, counsel to the Authority and the officer of the Authority executing the same shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

Section 3. Approval of the Assignment of Foundation Note. The Authority hereby authorizes and approves the execution and delivery of the Assignment of the Foundation Note in favor of the Bond Purchaser, containing such terms and provisions as bond counsel, counsel to the Authority and the officer of the Authority executing the same shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

Section 4. Form and Execution of Bonds. The form of the Bonds shall be contained in the Bond Purchase and Loan Agreement. The execution of the Bonds by the manual or facsimile signatures of the Authorized Officers is hereby authorized and directed, and the Secretary or Assistant Secretary is hereby authorized and directed to affix or imprint the corporate seal of the Authority (or a facsimile thereof) to, and attest, the Bonds, by the manual or facsimile signature, in such form as counsel to the Authority may recommend and the Authorized Officers executing the same may approve, such approval to be conclusively evidenced by their execution thereof. The

Authorized Officers are hereby authorized and directed to deliver the Bonds or cause them to be delivered to the Bond Purchaser in accordance with the terms of the Bond Purchase and Loan Agreement against receipt of the purchase price therefor.

Section 5. Terms of the Bonds. The Bonds shall be designated “Philadelphia Authority for Industrial Development (Alliance for Education Project) Revenue Bonds, Series 2018” and shall be issued in one or more series as tax-exempt and/or taxable bonds. The Bonds shall have the terms set forth in the Bond Purchase and Loan Agreement, subject to the following terms: (a) the aggregate principal amount of the Bonds shall not exceed \$15,000,000; (b) the interest rate borne by the Bonds shall be determined as set forth in the Bond Purchase and Loan Agreement; and (c) the final maturity date of the Bonds shall be no later than 30 years from the date of issuance.

Section 6. Application of Funds under the Bond Purchase And Loan Agreement. The Bond Purchaser shall, by virtue of this Resolution and without further authorization from the Authority, be authorized, directed and requested to apply the proceeds of the sale of the Bonds to the costs of the 2018 Project pursuant to the terms of the Bond Purchase and Loan Agreement.

Section 7. Direction to Authorized Officers.

(a) For purposes of this Resolution, any officer or member of the Board of the Authority shall be deemed to be an “Authorized Officer”, and each Authorized Officer may act jointly or individually in performing its duties hereunder.

(b) The Board hereby authorizes and directs any Authorized Officer to execute and deliver the Bonds, the Bond Purchase and Loan Agreement, the Assignment of Foundation Note, and, subject to the approval thereof by bond counsel, counsel to the Authority and the Authorized Officer executing the same, to execute and deliver such other documents, agreements, instruments or certificates required to be executed by the Authority in connection with the issuance of the Bonds, and such execution and delivery shall be conclusive evidence of the approval thereof by the Board.

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

Section 8. Further Action. The Authorized Officers are hereby authorized and directed, jointly and individually, to take such further actions as may be necessary or appropriate to effect the matters contemplated hereby, to implement and complete the 2018 Project, to issue and sell the Bonds, or to otherwise effect the purposes of this Resolution.

Section 9. Prior Actions. All actions heretofore taken and all documents and instruments heretofore executed by or on behalf of the Authority in connection with the 2018 Project and the Bonds are hereby ratified and approved.

Section 10. Appointment of Bond Counsel. Stradley Ronon Stevens & Young, LLP of Philadelphia, Pennsylvania, is hereby appointed Bond Counsel.

Section 11. 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 Bond Purchase and Loan Agreement.

Section 12. Additional Actions. The Authorized Officers of the 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.

Section 13. Effective Date of Resolution. This Resolution shall take effect immediately this 20th day of November, 2018.

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 November 20, 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

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
(COMMONWEALTH OF PENNSYLVANIA)

AMENDMENT TO BOND RESOLUTION

November 20, 2018

SUPPLEMENTING AND AMENDING THE BOND RESOLUTION ADOPTED BY THE AUTHORITY ON MAY 8, 2018, WHICH AUTHORIZED A PROJECT FOR INDEPENDENCE CHARTER SCHOOL AND WORLDS OF OPPORTUNITY FOUNDATION TO BE FINANCED THROUGH THE ISSUANCE OF THE AUTHORITY'S REVENUE BONDS; AND CERTAIN RELATED MATTERS.

WHEREAS, the Philadelphia Authority for Industrial Development (the "Authority"), pursuant to the Bond Resolution of the Authority adopted on May 8, 2018 (the "May Resolution") authorized the issuance of the Bonds (as defined in the May Resolution) for the purposes set forth in the May Resolution and authorized the sale of the Bonds to the Underwriter pursuant to the Bond Purchase Agreement (as such terms are defined in the May Resolution); and

WHEREAS, the Authority has been advised that it is in the interest of the Borrowers, in order to efficiently and timely finance the 2018 Project (as such terms are defined in the May Resolution), to provide for the direct sale of the Bonds by the Authority to a bank or other financial institution, as an alternative to selling the Bonds in connection with a public offering; and

WHEREAS, BB&T Capital Markets, a division of BB&T Securities, LLC, will replace George K. Baum & Company for purposes of the May Resolution but BB&T Capital Markets, a division of BB&T Securities, LLC, may act as a financial advisor to the Borrowers, rather than as the Underwriter, in connection with the direct sale of the Bonds to the Direct Purchaser (as defined herein); and

WHEREAS, the Authority desires to supplement and amend the May Resolution to provide for the direct sale of the Bonds to Sunflower Bank, N.A. (or an affiliate thereof) or another financial institution to be selected by the Borrowers (the "Direct Purchaser") and certain other related or useful additions to the May Resolution.

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

SECTION 1. The Authority is hereby authorized to enter into any agreement relating to the issuance, terms, sale and/or purchase of the Bonds, to which the Direct Purchaser (and the Borrowers) may be a party, and which agreement may contain provisions of the types set forth in

trust indentures and/or loan agreements relating to conduit bond issues (each such agreement, a “Direct Purchase Bond Agreement”). Any Direct Purchase Bond Agreement shall provide for the negotiated sale of the Bonds to the Direct Purchaser through a private placement at such price, plus accrued interest, if any, and on such other terms as may be mutually agreed upon by all parties. Any Direct Purchase Bond Agreement shall be in such form as may be acceptable to the Authority, its counsel and bond counsel (approval of such form to be evidenced by execution of the Direct Purchase Bond Agreement). Any officer or member of the Authority is hereby authorized to execute and deliver any Direct Purchase Bond Agreement in accordance with Section 6 of the May Resolution.

SECTION 2. 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 the May Resolution, as supplemented and amended by this Amendment to Bond Resolution, to implement and complete the 2018 Project, to issue and sell the Bonds, or to otherwise effectuate the purposes of the May Resolution, as supplemented and amended by this Amendment to Bond Resolution.

SECTION 3. This Amendment to Bond Resolution shall be liberally construed so the Authority may complete the direct placement of the Bonds as contemplated hereby, and to the extent necessary or useful to effect such purpose, references in the May Resolution to the “Underwriter” may be construed to include the Direct Purchaser and references therein to the “Bond Purchase Agreement” may be construed to include any Direct Purchase Bond Agreement.

SECTION 4. As supplemented and amended hereby, the May Resolution shall remain in full force and effect.

SECTION 5. All actions previously taken in furtherance of the purposes of this Amendment to Bond Resolution are hereby ratified and confirmed.

SECTION 6. All prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistency.

SECTION 7. This Amendment to Bond Resolution shall take effect immediately.

Adopted: November 20, 2018

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 Amendment to 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 November 20, 2018.

(SEAL)

BY: _____
(Assistant) Secretary

Enclosure 3

November 20, 2018

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 a Partner of the law firm of Kleinbard LLC.

I participated in a meeting of the PAID Board on November, 2018 and disclosed that Kleinbard LLC represents the Independence Charter School, therefore I announced my disqualification from consideration of a Resolution authorizing PAID to approve a Resolution supplementing and amending the bond Resolution adopted by the PAID Board at its meeting on May 8, 2018 which authorized the approval of a tax-exempt financing through the Philadelphia Authority for Industrial Development in an amount not to exceed \$23,000,000, on behalf of Worlds of Opportunity Foundation and Independence Charter School.

The Borrowers have asked the Authority amend the previously approved project on behalf of the Borrower. The proposed amendments shall include but are not limited to, the conversion of the project from a public offering financing to a direct purchase structure, the appointing of a financial advisor to the Borrower and appointing the bond purchaser as Sunflower Bank, N.A.

Sincerely,

DAVID L. HYMAN, ESQUIRE

DLH/jg