

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT**

April 7, 2020

Vice Chair David Hyman presided over the Meeting of the Members of the Board of Directors of the Philadelphia Authority for Industrial Development held on Tuesday, April 7, 2020 at 5:00 p.m. via teleconference.

Other Members attending:

Malcolm Ingram
Christina Wong
Thomas A. K. Queenan

Attending from PIDC staff:

Anne Bovaird Nevins, President
Ilene Burak, Esq., Senior Vice President and General Counsel
Cassie Gardner, Executive Assistant to the President

Upon a motion duly made and seconded the Minutes of the meeting held on March 10, 2020 were unanimously approved.

Chair Hyman requested approval of the following Resolution:

- I. A Resolution, in form of the attached Enclosure 1, authorizing approval of a tax-exempt financing through the Philadelphia Authority for Industrial Development (“PAID” or the “Authority”), in an amount not to exceed \$25,000,000 in accordance with the terms of the form attached hereto, on behalf of the Borrower. The proceeds of the bonds will finance (i) the current refunding all of PAID’s Tax-Exempt Revenue Bond, Series 2015A (Pennsylvania Academy of the Fine Arts Project); (ii) the repayment of all or a portion of the amounts owed by the Borrower on certain lines of credit; (iii) the payment of certain payments due from the Borrower in connection with the Borrower’s termination of certain interest rate protection agreements; and (iv) pay all or a portion of the 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

BOND RESOLUTION

AUTHORIZING THE FINANCING OF A PROJECT FOR THE PENNSYLVANIA ACADEMY OF THE FINE ARTS THROUGH THE ISSUANCE OF BONDS OR NOTES BY THE AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF THE BONDS OR NOTES AND A BOND PURCHASE AND LOAN AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER NECESSARY DOCUMENTS; AND AUTHORIZING OTHER NECESSARY ACTION.

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, as amended (the “Act”), established to promote the health, safety, morals and general welfare of the people of the Commonwealth for the public purpose of alleviating unemployment, maintaining employment at a high level, eliminating and preventing blight, and creating and developing business opportunities by the construction, improvement, rehabilitation, revitalization and financing of industrial, commercial, and other economic activities; and

WHEREAS, the Pennsylvania Academy of the Fine Arts (the “Borrower”) is a non-profit corporation duly created and validly existing under laws of the Commonwealth of Pennsylvania; and

WHEREAS, the Borrower has applied to the Authority for financial assistance in an aggregate principal amount not to exceed \$25,000,000, which will be used by the Borrower to (i) currently refund all of the Authority’s Tax-Exempt Revenue Bond, Series 2015A (Pennsylvania Academy of the Fine Arts Project) (the “2015A Bond”); (ii) repay all or a portion of the amounts owed by the Borrower on certain lines of credit (the “Lines of Credit”); (iii) finance the payment of certain payments due from the Borrower in connection with the Borrower’s termination of certain interest rate protection agreements (the “Swap Termination Payments”); and (iv) pay all or a portion of the costs of issuance of the financing (collectively, the “Project”); and

WHEREAS, pursuant to a bond purchase and loan agreement or other similar agreement (the “Agreement”) by and among the Authority, the Borrower and The Bryn Mawr Trust Company (the “Bank”), the Authority intends to issue one or more series of revenue bonds or notes, on a tax-exempt and/or taxable basis (the “Tax-Exempt Bonds” or “Taxable Bonds” and collectively referred to herein as the “Bonds”), the proceeds of which will be loaned by the Authority to the Borrower to finance the Project; and

WHEREAS, the aggregate principal amount of the Bonds shall not exceed \$25,000,000; and

WHEREAS, the Bonds will be secured by, among other things, a first mortgage lien on the Borrower's Samuel M.V. Hamilton Building, pursuant to a mortgage and security agreement to be entered into by the Borrower and the Bank; and

WHEREAS, in accordance with the Federal Treasury Regulations, notice of a TEFRA hearing will be timely published on the Authority's website and issuance of the Bonds is conditioned on the receipt of the approval by the Mayor of the City of Philadelphia before the date of issuance of the Bonds; and

WHEREAS, the Authority desires to authorize the issuance, execution and delivery of the Bonds and the undertaking of the Project, and desires to authorize its Chairperson, Vice-Chairperson, Secretary and Assistant Secretary to execute, on behalf of the Authority, the Bonds, the Agreement and such other instruments and documents as shall be necessary or appropriate.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT AS FOLLOWS:

1. Approval of the Project and the Agreement. In accordance with the purposes and objectives of the Act, the Authority hereby authorizes, approves and undertakes the Project as described in the preambles of this Resolution, and the plan of finance for the Project as described in the preambles to this Resolution, subject to such modifications as the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority and counsel to the Authority shall approve, such approval of such modifications to be evidenced by the execution of the Agreement by the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority. The Authority hereby authorizes the giving of any notice of redemption that is required by the 2015A Bond to effect the redemption of the 2015A Bond.

2. Authorization of the Agreement and the Assignment of Rights under the Agreement. The Authority is hereby authorized to enter into the Agreement, and to loan the net proceeds of the Bonds to the Borrower to finance the Project. The Authority is hereby authorized to assign, transfer and pledge all of its rights under the Agreement (other than certain reserved rights), and all of its rights under any instrument executed by the Borrower evidencing the Borrower's repayment obligation resulting from the loan of the proceeds of the Bonds, to the Bank pursuant to the Agreement. The Agreement shall be in such form as shall be approved by the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority, with such approval to be conclusively evidenced by the execution thereof by such officer.

3. Authorization of the Bonds. In order to provide funds to pay the costs of the Project, the Authority hereby authorizes the issuance of up to \$25,000,000 aggregate principal amount of Bonds. The Bonds shall mature, bear interest and be subject to the other terms and provisions as set forth in the Agreement. The Bonds shall be in such form as shall be approved by the Chairperson or Vice-Chairperson of the Authority, with the advice and assistance of

counsel to the Authority and bond counsel, such approval to be conclusively evidenced by the execution thereof as provided in Section 4 hereof.

The Bonds shall be limited 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, the City of Philadelphia or of any other political subdivision thereof and shall not create or constitute any indebtedness, liability or obligation of the Commonwealth, the City of Philadelphia or any other 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. Neither the general credit of the Authority nor the credit or taxing power of the City of Philadelphia, 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.

4. Execution and Issuance of Bonds. The Chairperson or Vice Chairperson of the Authority is hereby authorized to execute the Bonds by manual or facsimile signature; the Secretary or any Assistant Secretary of the Authority is hereby authorized to attest by manual or facsimile signature and impress or cause to be imprinted the seal of the Authority on the Bonds, and following such execution, such officers of the Authority are hereby authorized to deliver or to cause to be delivered the Bonds to the registered owner thereof, against receipt of the purchase price of the Bonds, and to loan the proceeds of the Bonds to the Borrower, as provided in the Agreement.

5. Authorization of Tax Documents. The Authority hereby authorizes and directs the preparation and execution by the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority of a Federal Tax Certificate pursuant to the Internal Revenue Code of 1986, as amended, and an IRS Form 8038 in connection with the issuance of the Tax-Exempt Bonds.

6. Execution and Delivery of Financing Documents. The Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority are hereby authorized to execute and deliver, in the name of the Authority and on its behalf, such other documents, agreements, security agreements, assignments, financing statements, instruments and certifications as counsel to the Authority, bond counsel and such executing officer shall determine to be reasonable and appropriate to provide for the issuance of the Bonds and to complete the Project.

Copies of the foregoing documents, together with the other documents relating to the transactions authorized hereby, in hard copy or electronic form, as executed and delivered by the parties thereto, shall be filed in the official records of the Authority.

7. 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 Agreement, the Bonds 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.

8. Authority Fee. The Authority will charge the Borrower a fee in connection with the Bonds to defray the expenses incurred in connection with the authorization and approval of the Bonds and the Project. Such fee shall be in an amount mutually agreed upon by the Authority and the Borrower.

9. Ratification. Any and all acts by officers or members of the Authority consistent with the purpose and intent of this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved.

10. Further Action. Any officer or member of the Authority is hereby authorized and directed to execute such further amendments, modifications, documents, instruments and certificates 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.

11. Appointment of Bond Counsel. The Authority hereby appoints Saul Ewing Arnstein & Lehr LLP as Bond Counsel and authorizes them to proceed with the issuance of the Bonds.

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

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

Adopted: April 7, 2020

CERTIFICATE OF SECRETARY

I, the undersigned (Assistant) Secretary of the Philadelphia Authority for Industrial Development hereby certify that the foregoing is the text of a resolution adopted by said Authority at a meeting held on April 7, 2020 after the giving of the required public notice and at which a quorum was present.

[SEAL]

(Assistant) Secretary