

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
June 18, 2019**

Chairperson Smalls presided over the Meeting of the Members of the Board of Directors of the Philadelphia Authority for Industrial Development held on Tuesday, June 18, 2019 at 5:00 p.m. in PIDC's Board Room, 35th floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

Other Members attending:

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

Attending from PIDC staff:

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

Upon a motion duly made and seconded the Minutes of the meeting held on May 21, 2019 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 through the PAID in an amount not to exceed \$19,000,000, 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 of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to do such other acts necessary to assist the Foundation upon such terms and conditions as they deem to be in the best interests of the Authority.

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

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

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

RESOLUTION

AUTHORIZING THE ISSUANCE OF UP TO \$19,000,000 AGGREGATE PRINCIPAL AMOUNT OF ONE OR MORE SERIES OF TAX-EXEMPT REVENUE BONDS (THE “**TAX-EXEMPT BONDS**”) AND TAXABLE REVENUE BONDS ” (THE “**TAXABLE BONDS**” AND TOGETHER WITH THE TAX-EXEMPT BONDS, the “**BONDS**”), AUTHORIZING THE UNDERTAKING OF A PROJECT FOR ALLIANCE FOR EDUCATION FOUNDATION INC. (THE “**BORROWER**”); AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND TRUST AGREEMENT WITH RESPECT TO THE BONDS AND AN ASSIGNMENT TO THE TRUSTEE OF THE AUTHORITY’S INTEREST UNDER THE LOAN AND TRUST AGREEMENT AS 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 LIMITED OFFERING MEMORANDUM AND AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF AN LIMITED OFFERING MEMORANDUM FOR THE BONDS 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, the Borrower is a nonprofit corporation duly created and validly existing under the laws of the Commonwealth; and

WHEREAS, the Borrower has made application to the Authority requesting that the Authority undertake a project consisting the issuance of 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 (the “**Existing Campus**”); (ii) the acquisition of 1722-42 Cecil B. Moore Avenue, Philadelphia, PA (the “**New Campus**” and together with the Existing Campus, collectively, the

“**Facilities**”) 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 “**Project**”); and

WHEREAS, Borrower will lease the Facilities to Alliance for Progress Charter School Inc. (the “**School**”), pursuant to one or more Lease Agreements (collectively, the “**Lease**”), and the School shall operate the Facilities as a charter school; and

WHEREAS, at the request of Borrower and in order to finance the Project, the Authority has determined to issue the Bonds pursuant to a Loan and Trust Agreement (the “**Loan Agreement**”) by and among the Authority, Borrower and Zions Bancorporation, National Association, as trustee for the holders of the Bonds (the “**Trustee**”); and

WHEREAS, pursuant to the Loan Agreement, the Authority shall lend and make available to the 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 Facilities in favor of the Trustee, and an assignment of the Lease from the 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 forms of assignment and the forms 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, the Borrower and BB&T Capital Markets or a successor underwriter to be designated by the 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, the Borrower and the Underwriter will prepare for use by the Underwriter in connection with the offer and sale of the Bonds a preliminary limited offering memorandum (the “**Preliminary Limited Offering Memorandum**”) and an limited offering memorandum relating to the Borrower, the School, the Authority and the Bonds (the “**Limited Offering Memorandum**”); and

WHEREAS, it is intended that the interest payable on the Tax-Exempt Bonds shall be excludable from the gross income of the holders thereof for federal income tax purposes, and accordingly the Borrower and the Authority propose to enter into a tax compliance agreement (the “**Tax Compliance Agreement**”) in order to provide for and establish certain matters relating to such excludability of interest; and

WHEREAS, a public hearing was held on June 18, 2019 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 Limited Offering Memorandum, the Limited Offering Memorandum 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 \$19,000,000, 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 the 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 are 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 the Borrower, the term of the Bonds shall not exceed 40 years and Underwriter's discount shall not exceed 2.00% of the principal amount of the Bonds. 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 use and distribution of the Preliminary Limited Offering Memorandum and the execution and distribution of the Limited Offering Memorandum in such form as counsel to the Authority and the Chairman or Vice Chairman of the Board shall approve. The Preliminary Limited Offering Memorandum shall be "deemed final" by the Authority in the Bond Purchase Contract, and the use and distribution thereof by the Underwriter in connection with the offering by the Underwriter of the Bonds is hereby approved. The Limited Offering Memorandum shall be in substantially the same form as the Preliminary Limited Offering Memorandum, 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 Limited Offering Memorandums 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 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 Compliance Agreement 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 Tax-Exempt Bonds and the Tax-Exempt 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 and BB&T Capital Markets (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 and 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 or on behalf of the 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: June 18, 2019

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 \$19,000,000 aggregate amount of Revenue Bonds 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 June 18, 2019; that public notice of said meeting was given as required by law.

WITNESS my hand and seal of the Authority this ____ day of June, 2019.

(Assistant) Secretary

(Seal)