

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

August 10, 2021

Chair Evelyn Smalls presided over the Meeting of the Members of the Board of Directors of the Philadelphia Authority for Industrial Development held on Tuesday, August 10, 2021, at 5:00 p.m. via Zoom.

Other Members attending:

Malcolm Ingram
Christina Wong
Thomas A. K. Queenan

Attending from PIDC staff:

Ilene Burak, Esq., Senior Vice President and General Counsel
Kate McNamara, Senior Vice President, Navy Yard
Nicole I. Krippel, Manager, Tax Exempt Financing
Cassie Gardner, Executive Assistant to the President

Guests:

Jason Bordainick, Hudson Valley Property Group
Chris Schilling, Hudson Valley Property Group
Libba King, Hudson Valley Property Group

Upon a motion duly made and seconded the Minutes of the meeting held on July 20, 2021, were unanimously approved.

Chair Smalls requested approval of the following Resolutions:

- I. A Resolution, in the form attached as Enclosure 1, authorizing the reimbursement of costs incurred by 801 Residence, L.P. in connection with the project known as 801 Residences (as further described below) prior to the issuance of a future tax-exempt financing to be issued by PAID.

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 Borrower as deemed to be in the best interest of PAID.

Upon a motion duly made and seconded, with Mr. Ingram abstaining (see Enclosure 2), the Members unanimously approved the above Resolution.

- II. A Resolution authorizing the Philadelphia Authority for Industrial Development to enter into a contract amendment with Johnson, Mirmiran & Thompson, Inc. (JMT) for the additional amount of \$56,942. This increases the contract total to \$285,152 for engineering services for the 52nd Street Gateway project.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to take such other actions 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.

- III. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a lease with Q.E.D. Systems, Inc. (Tenant), for 3,807 rentable square feet in 1123 Admiral Peary Way, Philadelphia, PA 19112, known as Quarters K (Leased Office Space) for \$25.00 NNN for a term of 8 months, with the option to renew for two years at \$26.00 NNN.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements with Tenant or its nominee or assignee, and to 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.

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

Adopted August 10, 2021

DECLARATION OF OFFICIAL INTENT OF THE PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT TO REIMBURSE CERTAIN CAPITAL EXPENDITURES OF CONDUIT BORROWER BY INCURRING DEBT; MAXIMUM PRINCIPAL AMOUNT OF DEBT; NATURE OF PROJECT COSTS; REIMBURSEMENT PERIOD; AUTHORIZING INCIDENTAL ACTION; AND PROVIDING THE EFFECTIVE DATE AND REPEALING PRIOR INCONSISTENT RESOLUTIONS

WHEREAS, 801 Residence, L.P. (the "Borrower") has requested that the Philadelphia Authority for Industrial Development (the "Issuer") issue its obligations the interest on which is excludable from federal income tax and loan the proceeds of such tax-exempt obligations to the Borrower to finance the costs of the acquisition, renovation and equipping of a 300 unit multifamily housing facility located at 801 Locust Street, Philadelphia, Pennsylvania (the "Project"), to be owned and operated by the Borrower; and

WHEREAS, the Borrower expects to incur significant costs of the Project prior to issuance of the tax-exempt bonds; and

WHEREAS, no costs of the Project were paid more than 60 days prior to the date of this Resolution, other than preliminary expenditures (not exceeding 20% of the aggregate issue price of the tax-exempt bonds to be issued to finance the Project), provided that such preliminary expenditures shall not include costs of land acquisition or site preparation or other costs of construction or acquisition of the Project;

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

Section 1. DECLARATION OF OFFICIAL INTENT TO FINANCE CAPITAL EXPENDITURES; MAXIMUM AUTHORIZED DEBT. The Issuer hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds (the "Reimbursement Bonds") to reimburse the Borrower for expenditures for costs of the Project, subject to such terms and conditions as the Issuer shall approve by subsequent Resolution, and to be payable solely from the revenues of the Issuer to be derived from payments by the Borrower. Based upon information provided by the Borrower, the Issuer anticipates that the maximum principal amount of tax-exempt bonds issued to finance the Project, including Reimbursement Bonds, will not exceed \$110,000,000.

Section 2. NATURE OF PROJECT COSTS; REIMBURSEMENT PERIOD. The Borrower will certify that costs of the Project expected to be reimbursed consist entirely of capital expenditures or costs of issuance of tax-exempt bonds incurred no earlier than 60 days prior to the date hereof, and no cost of the Project to be reimbursed with the proceeds of the

Reimbursement Bonds is a cost of working capital. The Borrower will certify that any reimbursement with proceeds of the Reimbursement Bonds will be made by the later of 18-months after the payment of the cost or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid (all within the meaning of Treasury Regulations Section 1.150-2).

Section 3. NO REPLACEMENT PROCEEDS. The Borrower will certify that it will not, at any time within one year after any allocation of proceeds of the Reimbursement Bonds to reimburse any expenditure, use the reimbursed funds to create a sinking fund for any issue of tax-exempt bonds to otherwise replace the proceeds of any issue of tax-exempt bonds.

Section 4. INCIDENTAL ACTION. The Chairman or Vice Chairman of the Issuer (each, an “Authorized Officer”) are hereby authorized and directed to take or approve the taking of such actions as may be necessary or appropriate on its part in order to preserve the ability of the Borrower to finance its capital expenditures in accordance with the federal tax regulations and this Resolution.

Section 5. APPOINTMENT OF BOND COUNSEL. The Authority hereby approves the appointment by the Borrower of Greenberg Traurig LLP, as Bond Counsel in connection with the issuance 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.

Section 6. EFFECTIVE DATE; REPEAL. This Resolution shall take effect immediately upon its final passage. All prior resolutions or portions thereof inconsistent herewith are hereby repealed.

I, the undersigned Secretary or Assistant Secretary of the Philadelphia Authority for Industrial Development, hereby certify that the foregoing is the text of the Resolution adopted by said Authority at a meeting held August 10, 2021 after the giving of the required public notice and at which a quorum was present.

(Assistant) Secretary

[SEAL]

Enclosure 2

August 10, 2021

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 an Associate at the law firm of Greenberg Traurig, LLP.

I participated in a meeting of the PAID Board today and disclosed that Greenberg Traurig LLP represents 801 Residence, L.P., therefore I announced my disqualification and abstained from any vote thereon on a Resolution authorizing the reimbursement of costs incurred by 801 Residence, L.P. in connection with the project known as 801 Residences prior to the issuance of a future tax-exempt financing to be issued by PAID.

Sincerely,

MALCOLM J. INGRAM, ESQUIRE
MJl/jg