

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT  
May 8, 2018**

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, May 8, 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 (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 April 24, 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) convey fee simple title to an approximately 16 acre site at 3025 Meetinghouse Road in the Byberry East Industrial Park to Ridge Meetinghouse Partners I, LLC, or their assignee or nominee, for consideration of \$2,175,000, and (2) receive drainage easements from the City of Philadelphia and the Origlio Beverage company (the adjacent property owner) to facilitate stormwater drainage from the site.

The appropriate officers of PAID 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 to the PAID Board for consideration and approval.

- II. A Resolution, in the form attached as Enclosure 1, authorizing the Philadelphia Authority for Industrial Development (PAID) to submit a "Multimodal Transportation Fund (MTF)" application to the Commonwealth Financing Authority (CFA) for an amount not to exceed \$3,000,000 to fund roadway, streetscape, deck replacement, and associated utility improvements to the Navy Yard Quay wall located along Broad Street.

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 to the PAID Board for consideration and approval.

- III. A Resolution, in the form attached as Enclosure 2, authorizing 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 Worlds of Opportunity Foundation (the “Foundation”) and Independence Charter School (the “School” and collectively the “Borrowers”).

The proceeds of the bonds will be used by the Borrowers to finance (i) the current refunding of all or a portion of the Authority’s outstanding 2007A Bonds; (ii) a capital project consisting of the financing of the costs of: (a) the expansion of the School’s facility formerly known as the Durham School, consisting of a new approximately 13,000 square foot wing; (b) renovations to approximately 6,000 square feet of the School’s facility; (c) various equipment for use at the School’s facility; and (d) other related capital costs including a cafeteria, gymnasium, classrooms, and rooftop playground; (iii) the funding of a debt service reserve fund; and (iv) 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 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 to the PAID Board for consideration and approval.

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

Resolution

*Navy Yard Broad Street Quay wall Replacement Project*

Be it RESOLVED, that the Philadelphia Authority for Industrial Development (PAID) hereby requests a Multimodal Transportation Fund grant of \$3,000,000 from the Commonwealth Financing to be used for replacement of the Navy Yard Broad Street Quay wall.

Be it FURTHER RESOLVED, that the Applicant does hereby designate Evelyn Smalls, Chair and Thomas A.K. Queenan, Treasurer as the officials to execute all documents and agreements between the Philadelphia Authority for Industrial Development (PAID) and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

I, Samuel V. Rhoads, duly qualified Assistant Secretary of the Philadelphia Authority for Industrial Development, Philadelphia, PA, hereby certify that the forgoing is a true and correct copy of a Resolution duly adopted by a majority vote of the PAID Board at a regular meeting held May 8, 2018 and said Resolution has been recorded in the Minutes of the Philadelphia Authority for Industrial Development (PAID) and remains in effect as of this date.

IN WITNESS THEREOF, I affix my hand and attach the seal of the Philadelphia Authority for Industrial Development (PAID), this \_\_\_\_ day of \_\_\_\_, 20\_\_.

Philadelphia Authority for Industrial Development (PAID)

Name of Applicant

Philadelphia

County

\_\_\_\_\_

Assistant Secretary

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT  
(COMMONWEALTH OF PENNSYLVANIA)

BOND RESOLUTION

May 8, 2018

AUTHORIZING A PROJECT FOR INDEPENDENCE CHARTER SCHOOL AND WORLDS OF OPPORTUNITY FOUNDATION TO BE FINANCED THROUGH THE ISSUANCE OF THE AUTHORITY'S REVENUE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND TRUST AGREEMENT WITH RESPECT TO THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT FOR THE SALE OF THE BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE DISTRIBUTION AND EXECUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFER AND SALE OF THE BONDS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER NECESSARY DOCUMENTS AND THE TAKING OF OTHER NECESSARY ACTION.

WHEREAS, the Philadelphia Authority for Industrial Development (the "Authority") is authorized by the Pennsylvania Economic Development Financing Law, Act No. 102 of the Commonwealth of Pennsylvania (the "Commonwealth"), approved August 23, 1967, P.L. 251, as amended (the "Act"), to lend funds to finance the costs of educational facilities; and

WHEREAS, the Act further authorizes the Authority to issue revenue bonds for the purposes of defraying the cost of any such project and all incidental expenses incurred in issuing such bonds and to secure the payment of such bonds as provided by the Act; and

WHEREAS, the Authority previously undertook a project (the "2007 Project") consisting of the (1) the acquisition of a school (formerly referred to as the Durham School) (the "School Facility"), a four-story, approximately 50,000 square foot school building located at 16<sup>th</sup> and Lombard Streets, Philadelphia, Pennsylvania, from the School District of Philadelphia; (2) the construction of a four-story, approximately 15,000 square foot addition to the School Facility; (3) renovations and improvements to the School Facility; (4) miscellaneous equipment and other capital costs (including capitalized interest, if needed); (5) the funding of a debt service reserve fund; and (6) the payment of the costs of issuing the 2007A Bonds and 2007B Bonds (hereafter defined); and

WHEREAS, pursuant to a Loan and Trust Agreement dated as of September 27, 2007 (the "2007 Agreement"), in order to finance the 2007 Project, the Authority issued \$17,800,000 aggregate principal amount of its Revenue Bonds (Independence Charter School Project) Series

of 2007A (Tax-Exempt) (the “2007A Bonds”) and \$200,000 aggregate principal amount of its Revenue Bonds (Independence Charter School Project) Series of 2007B (Taxable) (the “2007B Bonds”); and

WHEREAS, Independence Charter School, a nonprofit corporation (the “School”), and Worlds of Opportunity Foundation (the “Foundation” and together with the School, the “Borrowers”), a nonprofit corporation and an affiliate of the School, have requested the Authority to issue up to \$23,000,000 aggregate principal amount of its bonds, in one or more series (the “Bonds”), in order to finance a project (the “2018 Project”) consisting of: (1) the current refunding of all or a portion of the outstanding 2007A Bonds (the “Refunding Project”); (2) a capital project (the “Capital Project”) consisting of the financing of the costs of: (i) an expansion of the School Facility consisting of a new approximately 13,000 square foot wing; (ii) renovations to approximately 6,000 square feet of the School Facility; (iii) various equipment for use at the School Facility; and (iv) other related capital costs (which Capital Project includes a cafeteria, gymnasium, classrooms, and rooftop playground); and (3) the funding of: (i) a debt service reserve fund for the Bonds; and (ii) the costs of issuing the Bonds; and

WHEREAS, the Bonds will be issued under and subject to a Loan and Trust Agreement (the “Agreement”), among the Authority, the Borrowers and a trustee to be approved by the Authority (the “Trustee”), and the Authority will loan the proceeds of the Bonds to the Borrowers pursuant to the Agreement to finance the 2018 Project; and

WHEREAS, the School will lease the Capital Project from the Foundation or 1600 Lombard Associates, L.P., a wholly-owned subsidiary of the Foundation, and will operate it as a public charter school; and

WHEREAS, the Bonds may be additionally secured by a bond insurance policy, if deemed desirable by the Borrowers; and

WHEREAS, a public hearing is being held on this date in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and the Mayor of Philadelphia will be requested to approve the issue of the Bonds prior to their delivery; and

WHEREAS, the investment banking firm of George K. Baum & Company (the “Underwriter”), intends to make a proposal for the purchase, or best efforts underwriting, of the Bonds pursuant to a bond purchase agreement or placement agreement among the Authority, the Borrowers and the Underwriter (the “Bond Purchase Agreement”); and

WHEREAS, the Authority desires to authorize the issuance, execution and delivery of the Bonds, the Agreement, the Bond Purchase Agreement and the undertaking of the 2018 Project and desires to authorize any officer or member of the Authority to execute on behalf of the Authority the Agreement, the Bond Purchase Agreement, the Official Statement (as defined below) and such other documents as shall be necessary or appropriate to issue the Bonds and to finance the 2018 Project.

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

1. Approval of the 2018 Project. In accordance with the purposes and objectives of the Act, the Authority hereby approves of and undertakes the financing of the 2018 Project as described in the preambles of this Resolution, subject to such modifications as the Authority and the Authority's counsel shall approve. The financing of the 2018 Project will be a "project" within the meaning of that term as defined in the Act and is consistent with the public purposes of the Act.

2. Authorization and Execution of the Bonds; Loan to Borrowers.

(a) In order to provide funds to pay the costs of the 2018 Project, the Authority is hereby authorized to issue the Bonds in aggregate principal amount of up to \$23,000,000, in one or more series, upon the terms and conditions contained in the Bond Purchase Agreement and the Agreement. The Bonds are hereby approved in such form as may be acceptable to the Authority, its counsel and bond counsel.

(b) The issuance of the Bonds in one or more series is hereby approved, each series to bear interest on a tax-exempt or taxable rate basis, as advised by bond counsel with respect to the Code. The Bonds shall be designated "Philadelphia Authority for Industrial Development Revenue Bonds (Independence Charter School Project), Series of 2018" with appropriate series or subseries designation or such other designation as approved by the Chairperson or Vice Chairperson of the Authority (such approval to be evidenced by the execution of the Bonds).

(c) The Bonds shall be special obligations of the Authority payable only out of the payments made by the Borrowers under the Agreement and out of certain other moneys and investments held by the Trustee under the Agreement. The Bonds shall not be in any way a debt or liability of the Commonwealth of Pennsylvania, the City of Philadelphia or of any political subdivision thereof and shall not create or constitute any indebtedness, liability or obligation of the Commonwealth of Pennsylvania, the City of Philadelphia or any 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.

(d) The Chairperson or Vice Chairperson of the Authority is hereby authorized to approve the form, exact principal amount, maturity dates, interest rates and other terms of each series of the Bonds, such approvals to be conclusively evidenced by the execution of the Bonds as provided below.

(e) The Chairperson or Vice Chairperson of the Authority is hereby authorized to execute the Bonds by manual or facsimile signature; any officer or member of the Authority is hereby authorized to attest by manual or facsimile signature and to affix the seal of the Authority on the Bonds (which is hereby authorized to be impressed or imprinted on the Bonds); and following such execution, the officers of the Authority are hereby authorized to deliver or to cause to be delivered the Bonds to the Trustee for authentication, and after such authentication, to deliver them, or cause them to be delivered, to the Underwriter against receipt of the purchase price plus accrued interest specified in the Bond Purchase Agreement herein authorized, and to deposit and disburse such purchase price as provided in the Agreement.

(f) The proceeds of the Bonds shall be loaned to the Borrowers to finance the 2018 Project, including reimbursement of the Borrowers for costs paid by the Borrowers prior to the issuance of the Bonds.

3. Authorization of the Agreement; Approval of Trustee.

(a) The Authority is hereby authorized to enter into the Agreement with the Borrowers and the Trustee. The Agreement shall provide for the Borrowers to make payments in amounts sufficient to, among other things, meet the debt service requirements on the Bonds and any fees or other amounts due the Authority or the Trustee with respect to the Bonds. The 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 Agreement). The Authority is hereby authorized to assign, transfer and pledge substantially all of its rights under the Agreement to the Trustee.

(b) The Authority is hereby authorized to select and contract with a bank, trust company or other qualified institution to act as Trustee under the Agreement; provided that the fees and costs of the Trustee shall be paid from the proceeds of the Bonds and/or by the Borrowers pursuant to the Agreement.

4. Authorization of Bond Purchase Agreement. The Authority is hereby authorized to enter into the Bond Purchase Agreement providing for the negotiated sale, or best efforts underwriting, of the Bonds to the Underwriter at such price, plus accrued interest, and on such other terms as may be mutually agreed upon by all parties. The Bond Purchase 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 Bond Purchase Agreement).

5. Approval of Preliminary Official Statement and the Official Statement. The Authority hereby authorizes the distribution by the Underwriter of a Preliminary Official Statement (the "Preliminary Official Statement") setting forth certain information relating to the Authority, the Borrowers, the 2018 Project, and the Bonds. The form of the Preliminary Official Statement shall be as approved by counsel to the Authority, bond counsel and the Underwriter. A final Official Statement (the "Official Statement"), with such changes from the Preliminary Official Statement as counsel to the Authority, counsel to the Underwriter and bond counsel may advise shall be used by the Underwriter in connection with the offer and the sale of the Bonds.

The Authority hereby authorizes the Underwriter to distribute the Official Statement in connection with the offer and sale of the Bonds.

6. Execution and Delivery of Documents. Any officer or member of the Authority is hereby authorized to execute and deliver, in the name of the Authority and on its behalf, the following documents and to approve the final form and substance thereof, and any amendments or supplements thereto before or after the initial execution and delivery thereof, such approvals to be conclusively evidenced by the execution thereof, and any officer or member of the Authority is hereby authorized to affix to all of the following documents the seal of the Authority and to attest to the same:

- (a) the Agreement;
- (b) the Bond Purchase Agreement;
- (c) the Official Statement;
- (d) any escrow deposit agreement or letter of instruction related to the current refunding of the 2007A Bonds;
- (e) such other documents, agreements, mortgages, security agreements, financing statements, instruments and certifications (including a Federal Tax Certificate and I.R.S. Form 8038), as the executing officer or member determines to be reasonable and appropriate to provide for the issuance of the Bonds and to complete the financing for the 2018 Project and the current refunding of the 2007A Bonds, including, without limitation, the subscription for or open-market purchasing of obligations for the escrow fund for the 2007A Bonds, the defeasance of the 2007A Bonds and the release of the lien of the 2007 Agreement and any other documents related to the security for the 2007A Bonds, as authorized by this Resolution.

7. Authorization of Municipal Bond Insurance Policy. If deemed financially advantageous for and requested by the Borrowers, the proper officers of the Authority are hereby authorized to purchase and accept a municipal bond insurance policy insuring the payment, when due, of the principal of and interest on the Bonds or any portion thereof. Any officer or member of the Authority is hereby authorized to execute such documents as may be necessary to effect the issuance of such municipal bond insurance policy.

8. Official Intent Requirement. In accordance with Treas. Reg. 1.150-2, the Authority hereby states its intention that a portion of the proceeds of tax-exempt bonds in the estimated maximum amount of \$9,100,000 will be used to reimburse the Borrowers for original expenditures relating to the Capital Project paid prior to the date of issuance of the Bonds. All original expenditures to be reimbursed will be capital expenditures (as defined in Treas. Reg. 1.150-1(b)). The reasonably expected source of funds that will be used to reimburse the original expenditures is the proceeds of tax-exempt bonds. The description of the type and use of the property for which the original expenditures to be fully or partially reimbursed are to be paid are costs related to the Capital Project.

9. Authority Fee. The Authority may charge the Borrowers an application, origination and Authority counsel fee. Any fees shall be in an amount mutually agreed upon by the Authority and the Borrowers.

10. Appointment of Bond Counsel. Cozen O'Connor is hereby appointed as bond counsel to the Authority for the issuance of the Bonds.

11. Dating of Bonds and Documents. The Chairperson or Vice Chairperson of the Authority is hereby authorized to approve the dated date for the Bonds and all other documents authorized hereby, such approval to be conclusively evidenced by the execution of the Bonds and such other documents as authorized hereby.

12. 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 Bonds, the Agreement or any other document 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.

13. Ratification of Prior Actions. All actions taken by the Authority prior to the date hereof in connection with the undertaking of the Project and the financing thereof are hereby approved, ratified and confirmed.

14. Further Action. Any officer or member of the Authority is hereby authorized and directed to execute such further documents 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.

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

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

Adopted: May 8, 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 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 May 8, 2018.

(SEAL)

BY: \_\_\_\_\_  
(Assistant) Secretary

Enclosure 3

May 8, 2018

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

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

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

Dear Ms. Decker:

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 May 8, 2018 and disclosed that Kleinbard LLC represents the Independence Charter School and I, therefore, announced my disqualification from consideration of a Resolution authorizing PAID to approve 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 Independence Charter School (the “Borrowers”)

The proceeds of the bonds will be used by the Borrowers to finance (i) the current refunding of all or a portion of the Authority’s outstanding 2007A Bonds; (ii) a capital project consisting of the financing of the costs of: (a) the expansion of the School’s facility formerly known as the Durham School, consisting of a new approximately 13,000 square foot wing; (b) renovations to approximately 6,000 square feet of the School’s facility; (c) various equipment for use at the School’s facility; and (d) other related capital costs including a cafeteria, gymnasium, classrooms, and rooftop playground; (iii) the funding of a debt service reserve fund; and (iv) the costs of issuance.

Sincerely,

DAVID L. HYMAN, ESQUIRE

DLH/j