

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

MARCH 8, 2016

Thomas A.K. Queenan, Chairman, presided by phone at the Meeting of the Members of the Board of Directors of the Philadelphia Authority for Industrial Development held on Tuesday, March 8, 2016, at 5:00 p.m. in PIDC's offices, Suite 2600, Centre Square West, 1500 Market Street, Philadelphia, PA.

Other Members attending:

Leslie Anne Miller, Esquire
Evelyn Smalls
David L. Hyman, Esquire
Dennis J. Pagliotti

Attending from PIDC staff:

John Grady	President
Ilene Burak, Esquire	Senior Vice President/General Counsel
Anthony Simonetta	Senior Vice President
Wanda Speight	Senior Vice President
Mary Corcoran	Assistant Secretary

Mr. Queenan welcomed Mr. Pagliotti to the Board and introduced him to the other Members and PIDC staff.

Upon motion duly made and seconded the Minutes of the meeting held on February 9, 2016 were unanimously approved.

Mr. Grady requested approval of the following Resolutions:

1. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into an amendment to a license agreement with the City of Philadelphia (the City) and an amendment to a sublicense agreement with American Airlines, Inc. (American). The amendments will increase scope of the Project as well as the City's contribution to the Terminal F Project from \$50 million to \$80 million.

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

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

2. A Resolution authorizing the Philadelphia Authority for Industrial Development's ("PAID" or the "Authority") consent for the issuance of tax exempt revenue bonds (the "Bonds") in the form attached hereto as Enclosure 1, in an amount not to exceed \$570,000,000, through the Lancaster County Hospital Authority (the "LCHA") on behalf of The Trustees of the

University of Pennsylvania, Presbyterian Medical Center of the University of Pennsylvania Health System d/b/a Penn Presbyterian Medical Center, Pennsylvania Hospital of the University of Pennsylvania Health System, The Chester County Hospital and Health System, The Lancaster General Hospital, (collectively, the “Borrowers”).

The Bonds will finance (i) the refunding of select indebtedness of the Borrowers including Lancaster General Hospitals’ Series A of 2007, Series B of 2007, Series A of 2012, Series B of 2012 bonds issued through the Lancaster County Hospital Authority and UPENN Health System’s Series A of 2009 and Series A of 2011 bonds issued through the Pennsylvania Higher Educational Facilities Authority; (ii) various capital projects, including but not limited to construction of a six-story addition to Lancaster General Hospital, relocation of the Pennsylvania College of Health Sciences, construction of a new outpatient facility for Penn Presbyterian Medical Center, the Center for Advanced Cellular Therapeutics at the Perelman Center for Advanced Medicine, and a new office building for UPENN Health System, (iii) capitalized interest 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 Borrowers, upon such terms and conditions as they deem to be in the best interest of the Authority.

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

3. A Resolution authorizing approval of a tax-exempt bond financing through the Philadelphia Authority for Industrial Development (“PAID” or the “Authority”) in the form attached hereto as Enclosure 2, in an amount not to exceed \$25,000,000, on behalf of ASPIRA Inc. of Pennsylvania (“ASPIRA” or the “Borrower”).

The proposed bonds will finance (i) the refunding of commercial loans that financed or refinanced improvements at the Antonia Pantoja Charter School (4101 N. American Street), (ii) the current refunding of PAID’s Revenue Bonds, Series 2011, which financed or reimbursed payments made for the construction, renovation, and equipping of the Eugenio Maria de Hostos School, (iii) maintenance and repairs at the Antonia Pantoja Charter School and the ASPIRA Education Campus (6301 North 2nd Street), (iv) a debt service reserve fund, if necessary; and (v) issuance costs.

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 the Authority.

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

There being no further items presented to the Board, the meeting was adjourned.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

RESOLUTION

APPROVING THE FINANCING BY THE
LANCASTER COUNTY HOSPITAL
AUTHORITY OF A PROJECT ON BEHALF OF
THE UNIVERSITY OF PENNSYLVANIA
HEALTH SYSTEM

WHEREAS, each of The Trustees of the University of Pennsylvania (the "University"), Presbyterian Medical Center of the University of Pennsylvania Health System d.b.a. Penn Presbyterian Medical Center ("PPMC"), Pennsylvania Hospital of the University of Pennsylvania Health System ("PAH"), The Chester County Hospital and Health System ("TCCHHS") and The Lancaster General Hospital ("LGH" and, together with the University, PPMC, PAH and TCCHHS, the "Borrowers"), is a Pennsylvania nonprofit corporation and an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Borrowers have requested that the Lancaster County Hospital Authority (the "Issuer") provide financial assistance by undertaking a project (the "Project") consisting of: (a) the financing of: (1) the completion of construction of a six story addition above existing LGH facilities on the corner of North Lime and East Frederick streets in the City of Lancaster for use as private rooms and shell space for future private room construction as demand necessitates; (2) upgrades to boiler facilities and equipment of LGH; (3) moving the Pennsylvania College of Health Sciences to a new campus and converting the space for use as an educational instruction space from its current manufacturing design; (4) various other capital projects of LGH; (5) various capital projects at the Pavilion for Advanced Care at PPMC; (6) a new outpatient facility of PPMC; (7) the demolition of an existing office building and construction of a new office building of the University of Pennsylvania Health System; (8) the construction of an extension to the Perelman Center for Advanced Medicine; (9) the construction of the Center for Advanced Cellular Therapeutics at the Perelman Center for Advanced Medicine; and (10) various capital projects of TCCHHS; (b) the refinancing of certain outstanding indebtedness of various members of the Obligated Group, including all or a portion of (1) the Pennsylvania Higher Educational Facilities Authority The University of Pennsylvania Health System Revenue Bonds, Series A of 2011; (2) the Pennsylvania Higher Educational Facilities Authority The University of Pennsylvania Health System Revenue Bonds, Series A of 2009; (3) the Issuer's Health System Revenue Bonds Series A of 2007 (The Lancaster General Hospital Construction Project); (4) the Issuer's Health System Revenue Bonds Series B of 2007 (The Lancaster General Hospital Refunding Project); (5) the Issuer's Health System Revenue Bonds (The Lancaster General Hospital Refunding Project) Series A of 2012; (6) the Issuer's Health System Revenue Bonds Series B of 2012 (The Lancaster General Hospital Project); and (7) The Lancaster General

Hospital, Series of 2015 Master Note; (c) the payment of capitalized interest on the Bonds; and (d) the payment of certain costs of issuance in respect of the Bonds; and

WHEREAS, the Borrowers have requested that the Issuer issue up to \$570,000,000 of its tax-exempt bonds (the “2016 Bonds”) to fund the costs of the Project; and

WHEREAS, the Issuer desires to approve and undertake the Project with the consent and approval of Philadelphia Authority for Industrial Development (“PAID”); and

WHEREAS, in connection with the financing by the Issuer of the Project, PAID will be required to cooperate with appropriate officials of the City of Philadelphia to conduct a public hearing for the purpose of securing the necessary public approval required under Section 147(f) of the Code; and

NOW, THEREFORE, BE IT RESOLVED, by the Philadelphia Authority for Industrial Development as follows:

1. PAID hereby consents and approves the financing of the Project by the Issuer as described herein.
2. The appropriate officers of PAID are hereby authorized and directed to take such action as may be necessary or desirable to do and perform for or on behalf of PAID to assist the Issuer in connection with the Project including, without limitation conducting a public hearing with respect to the Project and the issuance of the 2016 Bonds by the Issuer and to report thereon to the Mayor of the City of Philadelphia, all as required by section 147 of the Code.
3. All costs of the Project, including fees and expenses of PAID shall be paid by the Borrowers from the proceeds of the financing or otherwise from its available funds, and PAID shall have no responsibility therefor.
4. PAID hereby finds that it is desirable for the health, safety and welfare of the residents in the City of Philadelphia to have the Issuer issue the 2016 Bonds to finance the Project.

This Resolution shall take effect immediately upon adoption.

Adopted this ___th day of _____, 2016.

I, the Secretary of Philadelphia Authority for Industrial Development, do hereby certify that the foregoing is a true, correct and complete copy of a resolution adopted by PAID at a meeting held on _____, 2016, notice of which was given in accordance with the requirements of law and the by-laws of PAID and at which a quorum of PAID was present and acted throughout; and that such resolution has not been amended, modified or repealed.

Secretary

March 9, 2016

RESOLUTION OF THE PHILADELPHIA AUTHORITY FOR
INDUSTRIAL DEVELOPMENT AUTHORIZING AND APPROVING
THE FINANCING OF A PROJECT FOR ASPIRA, INC. OF
PENNSYLVANIA AND APPROVING THE ISSUANCE OF BONDS
TO FINANCE THE COSTS THEREOF.

ADOPTED: March 8, 2016

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, ASPIRA, Inc. of Pennsylvania (the “Borrower”) is a nonprofit corporation duly created and validly existing under the laws of the Commonwealth and a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Borrower manages several charter schools, each of which is duly organized and existing under the Pennsylvania Charter School Law (24 P.S. §17-1701-A, *et seq.*), including: (a) Eugenio Maria de Hostos Charter School (the “Eugenio Maria de Hostos School”) which operates in the facilities located at 6301 North 2nd Street, Philadelphia, PA 19120 (the “ASPIRA Education Campus”); (b) Antonia Pantoja Charter School (the “Pantoja School”) which operates in the facilities located at 4101 North American Street, Philadelphia, PA 19140 (the “Pantoja Campus”); (c) John B. Stetson Charter School (the “Stetson School”) which operates in the facilities located at 3200 B Street, Philadelphia, PA 19134; (d) Olney Charter High School (the “Olney School”) which operates in the facilities located at 100 West Duncannon Street, Philadelphia, PA 19120; and (e) “ASPIRA Bilingual Cyber Charter School” (the “ASPIRA Cyber School” and, together with the Eugenio Maria de Hostos School, the Pantoja School, the Stetson School and the Olney School, the “Charter Schools”) which operates in the facilities located at 6301 North 2nd Street, Third Floor, North Wing, Philadelphia, PA 19120; and

WHEREAS, each of the Charter Schools is a nonprofit corporation duly created and validly existing under the laws of the Commonwealth and a tax-exempt organization under Section 501(c)(3) of the Code; and

WHEREAS, the Borrower has made application to the Authority requesting that the Authority undertake a project (the “Project”) that consists of:

- (a) refinancing one or more commercial loans of the Borrower, Aspira Community Enterprises, Inc., a Pennsylvania nonprofit corporation and organization described in Section 501(c)(3) of the Code, and affiliate of the Borrower (“Aspira Community Enterprises”) and ACE/Dougherty, LLC, a Pennsylvania limited liability company of which the Borrower is sole member (“ACE/Dougherty” and, together with the Borrower

and Aspira Community Enterprises, the “Obligated Group”), in the aggregate outstanding principal amount of approximately \$5,660,550, the proceeds of which were used to finance or refinance the costs of acquiring, constructing, renovating, furnishing, and equipping facilities, including land, buildings, improvements and personal property at the Pantoja Campus, including the land and an approximately 70,000 sq. ft. charter school situated thereon and leased to the Pantoja School;

- (b) currently refunding the Authority’s outstanding Revenue Bonds (ACE Dougherty, LLC Project), Series 2011, originally issued in the aggregate principal amount of \$12,750,000 (the “2011 Bonds”), the proceeds of which were loaned by the Authority to the Borrower and ACE/Dougherty, and used by ACE/Dougherty to (i) pay or reimburse the costs of acquisition, construction, renovation, improvement and equipping of certain real property located at the ASPIRA Education Campus, including the land and an approximately 189,000 sq. ft. charter school leased by ACE/Dougherty to the Eugenio Maria de Hostos School, and to the Borrower, operator of a Head Start program, and (ii) fund a debt service reserve fund for the 2011 Bonds, and (iii) pay certain costs of issuance of the 2011 Bonds;
- (c) financing capitalized expenditures of approximately \$1,500,000 for various maintenance expenses and repairs at the Pantoja Campus and the ASPIRA Education Campus;
- (d) funding a debt service reserve fund for the Bonds, if deemed necessary in connection with the sale of the Bonds; and
- (e) paying allowable issuance costs of the Bonds; and

WHEREAS, at the request of the Borrower, the Authority has determined to issue one or more series of its revenue bonds (the “Bonds”) pursuant to a trust indenture (the “Indenture”) between the Authority and The Bank of New York Mellow Trust Company, N.A., as trustee (the “Trustee”), and will loan the proceeds of the Bonds to the Borrower pursuant to a loan agreement (the “Loan Agreement”) between the Authority and the Borrower, to pay all or a portion of the costs of the Project; and

WHEREAS, to secure its obligations under the Loan Agreement, the Obligated Group will deliver to the Trustee, as assignee of the Authority, the Obligated Group’s Master Note (Philadelphia Authority for Industrial Development) Series 2016, which will be issued pursuant to a master trust indenture between the Obligated Group and The Bank of New York Mellow Trust Company, N.A., as master trustee; and

WHEREAS, as security for the Bonds, the Authority will cause certain of its rights under the Loan Agreement to be assigned to the Trustee concurrently with the issuance of the Bonds; and

WHEREAS, in connection with the offering and sale of the Bonds, the Authority will enter into a bond purchase agreement (the “Bond Purchase Agreement”) by and among the Authority, William Blair and Company, L.L.C. or a successor underwriter to be designated by the Borrower, as underwriter (the “Underwriter”) and the Borrower pursuant to which the Underwriter will offer to purchase the Bonds upon the terms and conditions set forth therein; and

WHEREAS, in connection with the offering of the Bonds, a preliminary limited offering memorandum (the “Preliminary Limited Offering Memorandum”) and a limited offering memorandum (the “Limited Offering Memorandum”) will be prepared containing certain information about, among other things, the Obligated Group, the Charter Schools, the Project, the Authority and the Bonds; 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 Indenture, the Loan Agreement, the Bond Purchase Agreement, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum and such other instruments and documents as shall be necessary or appropriate to effectuate the purposes of this Resolution.

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

Section 1. Approval of Project and Issuance of the Bonds. The Authority hereby authorizes and approves the undertaking of the Project and the issuance of the Bonds to finance all or a portion of the costs of the Project. The Bonds shall be designated “Philadelphia Authority for Industrial Development Revenue Bonds (ASPIRA, Inc. of Pennsylvania Project) Series 2016” and shall be issued and secured pursuant to the Indenture in an aggregate principal amount not to exceed \$25,000,000. The Bonds shall bear interest at variable or fixed rates of interest and shall contain such other terms and conditions as set forth in the Indenture.

Section 2. Approval of the Indenture. The Authority hereby authorizes and approves the execution and delivery of the Indenture, containing such terms and provisions as Bond Counsel, counsel to the Authority and the Authorized Officer (as defined in section 6 hereof) of the Authority executing the Indenture shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

Section 3. Approval of the Loan Agreement. The Authority hereby authorizes and approves the execution and delivery of the Loan Agreement, containing such terms and provisions as counsel to the Authority and the Authorized Officer of the Authority executing the Loan Agreement shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

Section 4. Sale of the Bonds; Approval of the Bond Purchase Agreement.

(a) The Authority hereby authorizes and approves the sale of the Bonds to the Underwriter. The Bonds shall be sold to the Underwriter at such rates and on such terms and conditions as are set forth in the Bond Purchase Agreement.

(b) The Authority hereby authorizes and approves the execution of the Bond Purchase Agreement containing such terms and provisions as Bond Counsel, counsel to the Authority and the Authorized Officer of the Authority executing the same shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

Section 5. Execution of Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Authority hereby authorizes and approves the distribution and execution of a Preliminary Limited Offering Memorandum and a Limited Offering Memorandum in such forms as counsel to the Authority and the officer of the Authority executing the same (if any) shall approve. The Authority hereby authorizes and directs any Authorized Officer to certify to the Underwriter that the Preliminary Limited Offering Memorandum, as approved, is deemed final within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

Section 6. Direction to Authorized Officers.

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

(b) The Board hereby authorizes and directs any Authorized Officer to execute and deliver the Bonds, the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, and, subject to the approval thereof by counsel to the Authority and the Authorized Officer executing the same, to execute and deliver any other document, agreement, instrument or certificate 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 7. Further Action. The Authorized Officers are hereby authorized and directed, jointly and severally, to take such actions as may be necessary or appropriate to effectuate the matters contemplated hereby, to implement and complete the Project, to issue and sell the Bonds, or to otherwise effectuate the purposes of this Resolution.

Section 8. Prior Actions. All actions heretofore taken and all documents and instruments heretofore executed by or on behalf of the Authority in connection with the Project and the Bonds are hereby ratified and approved.

Section 9. Appointment of Bond Counsel, Trustee and Underwriter. Ballard Spahr LLP, Philadelphia, Pennsylvania, is hereby appointed Bond Counsel, The Bank of New York Mellon Trust Company, N.A., is hereby appointed as Trustee, and William Blair and Company, L.L.C. (or any successor to its underwriting business to be designated by the Borrower) is hereby appointed to serve as Underwriter with respect to the Bonds.

Section 10. 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 Indenture and Loan Agreement.

Section 11. Effective Date of Resolution. This Resolution shall take effect immediately.

I, the Secretary of Philadelphia Authority for Industrial Development, do hereby certify that the foregoing is a true, correct and complete copy of a resolution adopted by PAID at a meeting held on _____, 2016, notice of which was given in accordance with the requirements of law and the by-laws of PAID and at which a quorum of PAID was present and acted throughout; and that such resolution has not been amended, modified or repealed.

Secretary